UDUPI COCHIN SHIPYARD LIMITED

Annual Report

2025-26

Accelerating Momentum

Delivering Excellence

What's Inside

Corporate Information

BOARD OF DIRECTORS

Shri Jose V J
Chairman

Dr. Harikrishnan S
Non – Executive Director

Shri Rajesh Gopalakrishnan
Non – Executive Director

Shri Shiraz V P
Non – Executive Director

Smt. Anjana K R
Non – Executive Director

COMPANY SECRETARY

Shri Aswin Sarma M
(up to April 24, 2026)

Shri Vaasu
(w.e.f. April 25, 2026)

REGISTERED OFFICE

S.No.377, Pazhamathur Village
Pukathurai Post
Madurantakam Taluk
Kancheepuram
Tamil Nadu – 603 116

CIN: U27209TN1984GOI010994

LEADERSHIP TEAM

Shri Harikumar A
Chief Executive Officer (CEO)

Shri Shankar Nataraj
Chief Financial Officer (CFO)

Shri Ambalavanan M
Chief Operating Officer (COO)

KEY PERSONNEL

Shri Harikishen E S
DGM (Operations)

Shri Pradeep K
DGM (Operations)

Shri Sony Clement T M
AGM (I/c Materials)

Smt. K K Triveni
AGM (U&M, Yard Planning & HSE)

Shri Haleel M Jalal
AGM (SOF & AOF)

Shri Gokul P N
AGM (Contract Cell & BD)

Shri L K Prabhakar
AGM (Hull & Painting)

Shri Sachithlal Padmanabhan
AGM (Electrical Design)

Shri Jaison Jose Chirayath
AGM (Quality Control & Planning)

Shri Narayananpotti R
Consultant (Finance)

FACILITIES

Udupi, Karnataka
Chengalpattu, Tamil Nadu

STATUTORY AUDITORS

M/s. K P Kanchan & Co.
Chartered Accountants
Holy Family Complex
Brahmavar, Udupi
Karnataka – 576 213

SECRETARIAL AUDITORS

M/s. SVJS & Associates
Company Secretaries
65/2364A, Ponoth Road
Kaloor, Kochi
Ernakulam, Kerala – 682 017

COST AUDITORS

M/s. BBS & Associates
Cost Accountants
62/102, First Floor
Nenmanassery Illom
Illom Road, Off Paliam Road
Ernakulam, Kerala – 682 016

INTERNAL AUDITORS

M/s. Shebin & Associates
Chartered Accountants
3rd Floor, Khadeeja Building
Ernakulam North
Ernakulam, Kerala – 682 018

BANKERS

State Bank of India
Union Bank of India
The Federal Bank Limited
The South Indian Bank Limited

Our Guiding Principles

VISION

- Emerge as one of the internationally preferred shipyards to construct world class tug boats, deep sea fishing vessels, offshore supply vessels and special purpose ships of up to 80 meters in length.
- Spearhead the transformation of Indian fishing fleet to engineered fishing boats, aimed at wholesome development of the fishermen of the country.
- Emerge as the market leader in aluminium hull construction in the country.
- To be admired for our achievements, respected for our ethics and trusted for our service excellence by our valued customers.

MISSION

- To build and repair tug boats, specialised fishing vessels and special purpose ships of up to 80 meters length to international standards and provide value added quality engineering services, sustain corporate growth in competitive environment and adopt & undertake practices towards becoming a responsible corporate citizen.

OBJECTIVES

- To sustain and enhance shipbuilding and specialised engineering services through technology up-gradation and capacity augmentation.
- To continuously endeavour to expand/diversify activities of the Shipyard leveraging facilities of the Company in the states of Karnataka and Tamil Nadu.
- To work with the parent organisation Cochin Shipyard Limited, in carrying out research & 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 programs.
- To adopt best practices for clean and safe environment.
- To adopt proactive approach to opportunities with aggressive bidding and secure orders to maximize capacity.
- To ensure positive customer-oriented initiatives.
- To be a responsible corporate citizen through CSR & sustainability projects and compliance to corporate governance principles.

About Us

Udupi Cochin Shipyard Limited (Udupi-CSL) is a wholly owned subsidiary of Cochin Shipyard Limited (CSL), a premier public sector shipyard in India. Udupi-CSL became part of CSL group in September 2020 by way of an acquisition by CSL under the IBC process.

The Company was incorporated as 'Tebma Engineering Private Limited' on July 09, 1984 as a private non government company operating from Chennai. Subsequently, the Company became public and changed the name to 'Tebma Shipyards Limited'. The Company initially focused on building Tugs and later entered into offshore vessels segment with a significant cooperation with CSL during 2003 – 2014 for the construction of 8 Platform Supply Vessels for Europe and 4 Anchor Handling Tugs for Indian client at CSL, Kochi. Subsequently, the Company expanded by setting up a new shipyard at Udupi and built a wide range of small and medium sized vessels like tugs, offshore vessels, high end geo technical research vessels, dredgers etc.

However, the global financial crisis in 2007-08 resulted in order cancellations and a gradual decline in business momentum, leading to the initiation of insolvency proceedings in September 2018. Consequently, CSL took over the Company in September 2020, revamped the facilities and resumed operations in July, 2021. Subsequently, on April 22, 2022 the name of the Company was changed to Udupi Cochin Shipyard Limited.

Since becoming part of CSL Group, Udupi-CSL has undergone a remarkable transformation, swiftly evolving into a trusted and capable shipbuilder in the small to medium-sized vessel segment. The Company has steadily established a reputation for reliability, quality craftsmanship and timely delivery, catering to a diverse clientele across both domestic and international markets. Backed by excellent execution capabilities, robust infrastructure and a healthy order book, the Company is well positioned for sustainable growth and long-term value creation.

Udupi-CSL has two facilities; one in Udupi, Karnataka and the other in Chengalpattu, Tamil Nadu. The Company's facility at Udupi possesses an infrastructure including a modern Steel Fabrication unit which is considered as one of the best in the country amongst medium sized shipyards.

Highlights of the Year 2025-26

Successfully delivered two **70T** Bollard Pull Tugs and four Future Proof **3800 TDW** Dry Cargo Vessels.

Secured work-share arrangements with Cochin Shipyard Limited (CSL) for the construction of eight vessels including two **70T** Bollard Pull Tugs, two **60T** Green Tugs (Electric) and four **70T** Electric Harbour Escort Tugs.

₹2,000+ Crores
Order book value as on March 31, 2026.

₹63,021.29 Lakhs
Revenue from Operations, a YoY growth of 126.19%.

₹9,338.76 Lakhs
Profit after tax, achieving a substantial YoY growth.

Business Segment

- Tugs and Coastal vessels
- Medium sized Auxiliary vessels for Defence
- Short Sea and Coastal Vessels for Europe
- Specialised Vessels / Factory Vessels for Europe
- Small fishing vessels – on a 'productised mode' as ready-to-buy vessels for Indian Fishing Community
- Engineering Fabrication Projects for Maritime Industry

Chairman's Address

> Udupi-CSL continued to make strong progress in vessel construction, delivery and order acquisition. During the year, the Company successfully delivered six vessels, comprising four Future Proof 3,800 TDW Dry Cargo Vessels to Wilson ASA, Norway and two 70T Bollard Pull Tugs to Ocean Sparkle Limited.

Dear Shareholders,

As we reflect on the year gone by, it gives me great pleasure to present the Annual Report of Udupi Cochin Shipyard Limited (Udupi-CSL) for the financial year 2025–26. The year under review has been one of significant achievement and strong growth for the Company, marked by robust financial performance, improved operational execution, successful vessel deliveries and a strengthening order pipeline. Since becoming part of the Cochin Shipyard Limited (CSL) family in 2020, Udupi-CSL has progressed steadily from revival to a phase of sustained growth, supported by focused execution, operational discipline and a clear strategic vision. I am also pleased to note that the Company achieved an "Excellent" rating for the year under the Memorandum of Understanding (MoU) entered into with CSL, the holding company.

Financial Performance

The financial year 2025–26 has been a landmark year for Udupi-CSL, particularly in terms of financial performance. The Company recorded a total income of ₹63,021 lakhs, compared to ₹27,862 lakhs in the previous year, representing an impressive growth of 126%. Revenue from operations also increased significantly to ₹61,812 lakhs from ₹26,564 lakhs, registering a year-on-year growth of 133%. The improvement in operational performance translated into a substantial enhancement in profitability. Profit Before Tax (PBT) rose sharply to ₹13,168 lakhs from ₹859 lakhs in the previous year, while Profit After Tax (PAT) increased to ₹9,339 lakhs from ₹263 lakhs. The significant increase in financial performance was primarily driven by accelerated execution of vessel construction projects and our continued focus on timely project completion and efficient execution.

Operational Performance

Udupi-CSL continued to make strong progress in vessel construction, delivery and order acquisition. During the year, the Company successfully delivered six vessels, comprising four Future Proof 3,800 TDW Dry Cargo Vessels to Wilson ASA, Norway and two 70T Bollard Pull Tugs to Ocean Sparkle Limited. The Company also completed its prestigious export order from Wilson ASA with the delivery of the fifth and sixth vessels during the early part of FY 2026–27.

Further strengthening the order pipeline, Udupi-CSL secured work-share arrangements from the holding company, CSL, for eight vessels, including electric and conventional tugs for Polestar Maritime Limited and Svitzer, Denmark. During the early part of FY 2026–27, the Company also delivered a 70T Bollard Pull Tug to Polestar Maritime Limited and secured orders for four additional 70T Bollard Pull Tugs from Ocean Sparkle Limited, reflecting the growing confidence of customers in Udupi-CSL's capabilities and execution strength.

People

As our operations continue to grow, our people remain central to Udupi-CSL's progress. During the year, the Company continued its recruitment efforts across technical, managerial, supervisory and workmen categories to meet its growing operational requirements. As on March 31, 2026, the Company had 189 employees, comprising 91 executives, 38 supervisors and 60 workmen, in addition to 19 trainees engaged under the apprenticeship programme. Employees from the holding company, CSL, also provide support when needed.

We remain committed to skill development, continuous learning and knowledge sharing, while fostering an environment that promotes professional growth and employee well-being. Notably, Udupi-CSL maintained cordial industrial relations throughout the year.

Health, Safety and Environment (HSE)

Safety remained a core priority across all operations at Udupi-CSL. We maintained our commitment to quality, environmental responsibility and occupational health and safety through its Integrated Management System (IMS) certifications under ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System). Regular training, audits and monitoring continued to strengthen our health, safety and environmental practices and our HSE performance remained satisfactory throughout the year.

As we expand our operations, we remain committed to maintaining a safe and healthy workplace for our employees, contractors and other stakeholders and to ensuring that increased production and business growth are achieved without compromising on safety standards.

Corporate Governance

The Company is committed to adopting the best Corporate Governance practices wherever possible and complies with the applicable DPE Guidelines on Corporate Governance. The Company also submits its quarterly progress reports on corporate governance within 15 days from the close of each quarter to the Ministry of Ports, Shipping and Waterways as recommended by the DPE in this regard. Further, the report on Corporate Governance prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the DPE is included in the Annual Report.

Industry Outlook and Strategic Direction

The global shipbuilding industry continues to undergo significant transformation, driven by evolving maritime trade patterns, increasing demand for efficient and environmentally sustainable vessels, technological advancements and the transition towards greener shipping. At the same time, India is placing strong emphasis on building a globally competitive and self-reliant shipbuilding ecosystem, creating significant opportunities for Indian shipyards.

Udupi-CSL remains committed to supporting the Government of India's vision of a self-reliant and globally competitive maritime sector. In line with the Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047, the Company is focused on strengthening its capabilities in the small and medium-sized vessel segment, including green and electric vessels. The adoption of the Approved Standard Tug Design and Specifications (ASTDS) framework for suitable domestic projects will further enable us to deliver standardised, efficient and cost-effective solutions for India's ports and maritime infrastructure.

Looking Ahead

With improved financial strength, demonstrated execution capabilities, an expanding market presence and an unexecuted order book exceeding ₹2,000 crores, Udupi-CSL is well positioned to pursue sustainable growth. We will continue to focus on the timely delivery of quality vessels, strengthening customer relationships and enhancing our capabilities to address the evolving requirements of the maritime industry.

With the continued support of Cochin Shipyard Limited and our unwavering focus on quality, efficiency and timely execution, we are confident of further strengthening Udupi-CSL's presence in both domestic and international markets and creating sustained value for all our stakeholders.

Acknowledgement

I take this opportunity to express my sincere appreciation to all our stakeholders for their continued trust and support. I extend my gratitude to the Hon'ble Minister of Ports, Shipping and Waterways, the Secretary and officials of the Ministry of Ports, Shipping and Waterways, the Government of India, and the Governments of Karnataka and Tamil Nadu for their valuable guidance and encouragement. I also thank the Directors and Senior Management of Cochin Shipyard Limited and my fellow Board members for their continued support, valuable insights and strategic direction.

Our people remain at the heart of the Company's ability to deliver on its commitments and achieve sustainable growth. My heartfelt appreciation goes to the employees of Udupi-CSL, guided and inspired by the leadership of our CEO, CFO and COO. Their dedication, resilience and commitment to excellence have been instrumental in achieving the milestones recorded during the year. I also acknowledge the continued support of our valued customers, business associates, vendors and other stakeholders, whose confidence and cooperation remain integral to our progress.

Together, we look forward to building on the progress achieved during the year and steering Udupi-CSL towards a stronger, more resilient and sustainable future.

Thanking You

Jai Hind

Jose V J
Chairman
DIN: 08444440

Board of Directors

Shri Jose V J
Chairman

Shri Jose V J is one of the directors nominated by CSL pursuant to the takeover of the Company in September 2020 through the statutory insolvency resolution process. Shri Jose V J assumed charge as the Chairman on February 01, 2026 consequent to the assumption of the addition charge of Chairman and Managing Director of CochinShipyard Limited (CSL), the holding company. He has been serving as the Director (Finance) and Chief Financial Officer of CSL 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 the Chairman of Hooghly Cochin Shipyard Limited (Hooghly-CSL), the other wholly owned subsidiary of CSL.

Dr. Harikrishnan S
Non – Executive Director

Dr. Harikrishnan S was inducted to the Board of Udupi-CSL with effect from July 23, 2025. He was the Executive Director (Ship Building) of Cochin Shipyard Limited (CSL) and on August 27, 2025 was appointed as the Director (Operations) of CSL. 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. He has around three decades of experience 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 (Hooghly-CSL), the other wholly owned subsidiary of CSL.

Shri Rajesh Gopalakrishnan
Non – Executive Director

Shri Rajesh Gopalakrishnan was re-inducted to the Board of Udupi-CSL with effect from October 30, 2024. He had also served as a Board Member of Udupi-CSL during the period from May 03, 2022 to January 05, 2024. He was the Executive Director (Ship Repair) of Cochin Shipyard Limited (CSL) and on August 27, 2025 was appointed as the Director (Technical) of CSL. 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 field of shipbuilding, ship repairs & conversion covering 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 (Hooghly-CSL), the other wholly owned subsidiary of CSL, where he was the first CEO.

Shri Shiraz V P
Non – Executive Director

Shri Shiraz V P was inducted to the Board of Udupi-CSL with effect from July 23, 2025. He is the Executive Director (Ship Building) of Cochin Shipyard Limited (CSL). He holds a Degree of Bachelor of Technology in Mechanical Engineering from the University of Kerala. He has more than 29 years of work experience across areas such as shipbuilding hull, outfit, marketing, design, outsourcing, planning, project management and ship repair operations. He is a recipient of the "Manager of the Year" award in 2023 from the Kerala Management Association and had also received commendation from the Chief of Naval Staff for his outstanding contributions as the Project Manager of the Indigenous Aircraft Carrier project "INS Vikrant".

Smt. Anjana K R
Non – Executive Director

Smt. Anjana K R was inducted to the Board of Udupi-CSL with effect from January 06, 2024. She is the Chief General Manager (Design and Materials) of Cochin Shipyard Limited (CSL). Smt. Anjana K R holds a Degree of Bachelor of Technology (Naval Architecture & Ship Building) from Cochin University of Science and Technology. She has more than three decades of work experience across areas such as ship design, shipbuilding hull, production engineering and ship building materials procurement. Smt. Anjana K R was awarded the "Inspiring Woman Leader - Maritime Sector" at the MARPORTS GLOBAL Conference & Excellence Awards 2026. She is also a Director in Hooghly Cochin Shipyard Limited (Hooghly-CSL), the other wholly owned subsidiary of CSL.

Leadership Team

Shri Harikumar A
Chief Executive Officer (CEO)

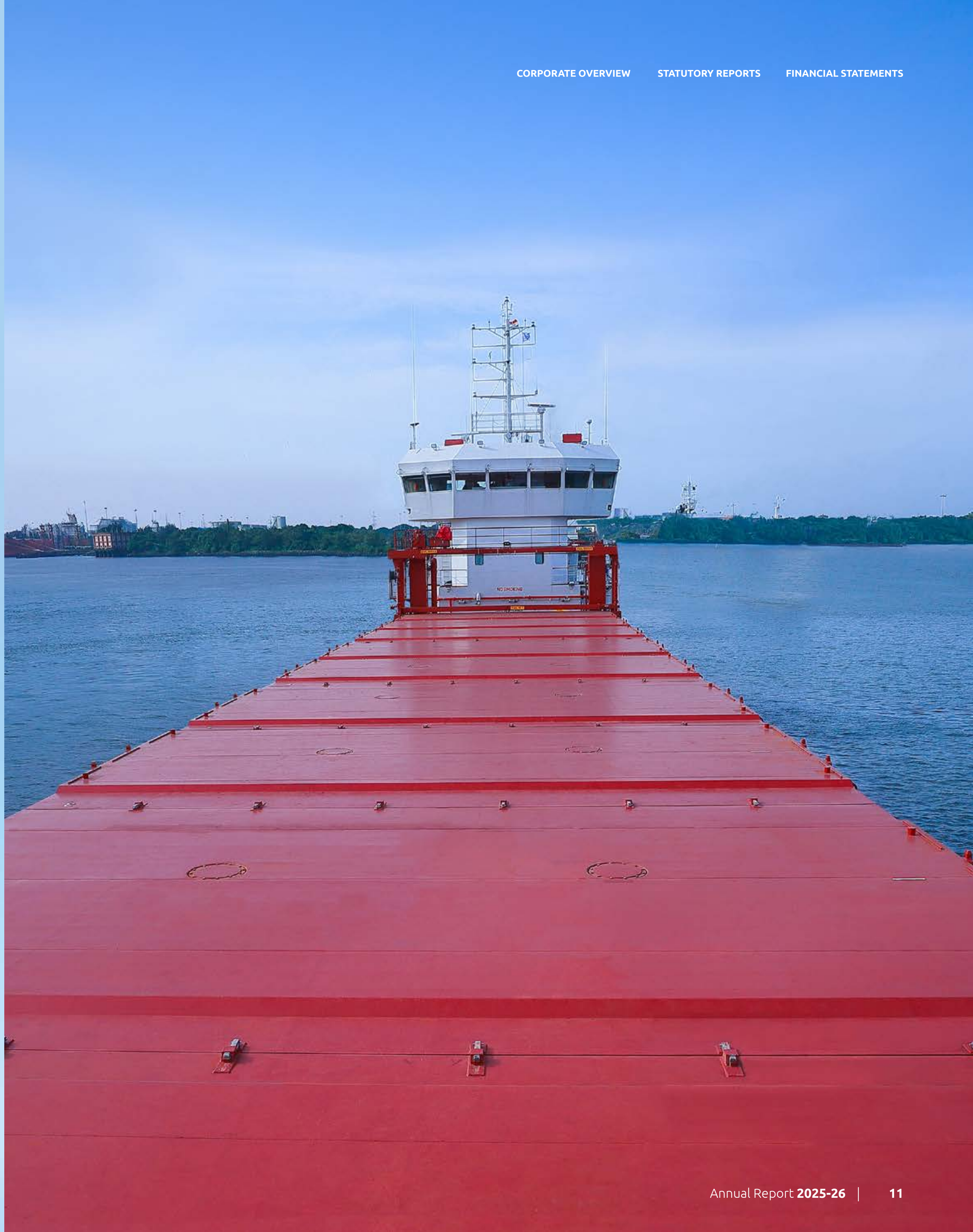
Shri Harikumar A took charge as the Chief Executive Officer (CEO) of the Company on January 28, 2021. He is a graduate in Production Engineering and has over three decades of experience in shipbuilding and ship repair operations and project management. He has worked with various leading shipyards, both in public sector as well as private sector and has made significant contributions. He is a fellow of Institution of Engineers (India) and Institute of Marine Engineers (India).

Shri Shankar Nataraj
Chief Financial Officer (CFO)

Shri Shankar Nataraj took charge as the Chief Financial Officer (CFO) of the Company on November 25, 2022. He is a member of the Institute of Chartered Accountants of India and also holds a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata. He has approximately 35 years of work experience in the field of financial management, budgetary controls, costing, commercial and general management etc. spread across various private sector companies mainly in cement, pharmaceuticals and logistics sectors. He is also empanelled in the Independent Director's Databank of the Indian Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs (MCA), Government of India.

Shri Ambalavanan M
Chief Operating Officer (COO)

Shri Ambalavanan M took charge as the Chief Operating Officer (COO) of Udupi-CSL on January 01, 2026. Prior to his appointment as COO, he served as Deputy General Manager (Operations) from February 2021. With over three decades of experience in shipbuilding, operations, technical execution, executive management and strategic risk mitigation, he brings extensive industry expertise to his role. He holds a Diploma in Mechanical Engineering from the State Board of Technical Education and Training, Department of Technical Education, Madras. He has been instrumental in Company's transformation into a globally recognized mid-segment shipyard and had played a key role in the successful Cochin Shipyard - Tebma Shipyard collaboration. As the COO, he continues to lead the Company's operational growth and strengthen its position as a globally competitive shipbuilding enterprise.



Directors' Report

Dear Shareholders,

1. Your Directors are pleased to present the Forty-First Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2026 and the Report of the Statutory Auditors and the Comptroller and Auditor General of India (C&AG) thereon.

Operations

2. The financial year 2025-26 was a year of strong operational performance and continued business growth for Udupi Cochin Shipyard Limited. The Company sustained its momentum in project execution while strengthening its position as a reliable shipbuilder in both domestic and international markets. The continued confidence of existing customers and successful execution of ongoing projects further reinforced the Company's reputation for quality, timely delivery and customer satisfaction.

3. During the year, the Company successfully delivered six vessels comprising of two 70T Bollard Pull Tugs to Ocean Sparkle Limited and four Future Proof 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway. The Company continued to make steady progress on vessels under construction, with major construction activities advancing in line with the planned timelines. Further, the Company secured work-share arrangements with its holding company, Cochin Shipyard Limited, for the construction of a total of eight vessels, comprising two 70T Bollard Pull Tugs, two 60T Green Tugs (Electric) for Polestar Maritime Limited and four 70T Electric Harbour Escort Tugs for Svitzer, Denmark. The Company has established a project office at Kochi for efficiently carrying out the construction activities under the work-share arrangements. These achievements demonstrate the Company's capability to execute multiple projects concurrently while maintaining the highest standards of quality and safety.

4. The order book position of the Company as on March 31, 2026 is given below:

Vessel	Nos.
70T Bollard Pull Tugs for Polestar Maritime Limited	01
70T Bollard Pull Tugs for Ocean Sparkle Limited	09
Future Proof 3800 TDW Dry Cargo Vessels for Wilson ASA, Norway	02
6300 TDW Dry Cargo Vessels for Wilson ASA, Norway	08
70T Bollard Pull Tugs for Polestar Maritime Limited*	02
60T Green Tugs (Electric) for Polestar Maritime Limited*	02
70T Electric Harbour Escort Tugs for Svitzer, Denmark*	04

*Work-share arrangement with Cochin Shipyard Limited (CSL).

5. During the first part of the financial year 2026–27, the Company achieved a significant milestone with the successful delivery of the fifth and sixth vessels in the series of six Future Proof 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway, marking the successful completion of a prestigious export order. During the period, the Company also delivered a 70T Bollard Pull Tug to Polestar Maritime Limited. Further, the Company secured orders for four 70T Bollard Pull Tugs from Ocean Sparkle Limited, reflecting the continued confidence and trust reposed in the Company by its customers. As on the date of this report, the Company has a robust unexecuted order book of more than ₹ 2,000 crores, ensuring a solid foundation for the Company's sustained growth in the coming years.

Financial Performance

6. During the financial year 2025-26, the Company recorded an exceptional financial performance with total income of ₹ 63,021.29 lakhs as against ₹ 27,862.12 lakhs for the previous year, reflecting a year-on-year (YoY) growth of 126.19%. The revenue from operations for FY 2025-26 stood at ₹ 61,811.64 lakhs as against ₹ 26,563.60 lakhs in the previous year, registering a YoY growth of 132.69%. Further, the profit before tax (PBT) stood at ₹ 13,167.79 lakhs as against ₹ 858.74 lakhs for the previous year, while profit after tax (PAT) increased to ₹ 9,338.76 lakhs from ₹ 262.78 lakhs, achieving a substantial YoY growth.

7. The strong growth in revenue and profitability was driven by significant improvements in business operations, higher operational efficiency, effective cost optimization and continued customer confidence.

Financial Highlights

(₹ in Lakhs)

Sl. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(i)	Total Income	63,021.29	27,862.12
(ii)	Profit/ (Loss) Before Finance cost, Depreciation & Tax	14,793.72	2,130.68
(iii)	Finance cost	650.11	183.60
(iv)	Depreciation & Amortisation expenses	975.82	1,088.34
(v)	Profit/ (Loss) Before Tax	13,167.79	858.74
(vi)	Tax	3,829.03	595.96
(vii)	Net Profit/ (Loss)	9,338.76	262.78
(viii)	Net-worth	20,175.27	17,130.11

Share Capital

8. The Authorised Share Capital of the Company as on March 31, 2026 is ₹ 215,00,00,000 (Rupees Two Hundred and Fifteen Crore Only) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of ₹ 10 each and 6,50,00,000 (Six Crore Fifty Lakh) Preference Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 108,00,00,000 (Rupees One Hundred and Eight Crore Only) divided into 10,80,00,000 (Ten Crore Eighty Lakh Only) Equity Shares of ₹ 10 each.

Debentures

9. The Company has 1,00,000 (One Lakh Only) Unsecured Redeemable Non-Convertible Debentures (Debentures) of face value of ₹ 1,000 (Rupees One Thousand Only) each outstanding as on March 31, 2026. The Debentures were issued in the month of November 2021 with a tenure of 84 months at a coupon rate of 6.00% per annum to CSL for an amount of ₹ 10,00,00,000 (Rupees Ten Crore Only). The Debentures are due for redemption in November 2028.

Dividend

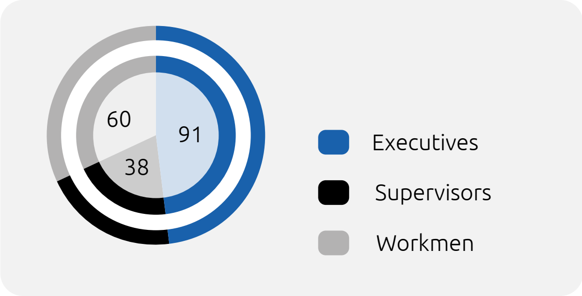
10. In view of the Company's ongoing growth and consolidation phase, capital expenditure and working capital requirements and the need to preserve internal resources to support its future growth, business operations and financial strength, the Board of Directors has decided not to recommend any dividend for the financial year under review.

Transfer to Reserves

11. The details of amount transferred to reserves is given at Note 18 of the Financial Statements of the Company for the year ended March 31, 2026 which forms part of the Annual Report.

Manpower Status

12. As on March 31, 2026, the Company has 189 employees consisting of 91 executives, 38 supervisors and 60 workmen. Out of the 91 executives, 6 are employed on deputation basis from the holding company, Cochin Shipyard Limited (CSL). The Company has also engaged 19 trainees under its apprenticeship programme.



Industrial Relations

13. The Company maintained cordial industrial relations during the year and no manhours were lost on account of labour unrest or strike.

Particulars of Employees and Related Disclosures

14. The Company being a wholly owned subsidiary of Cochin Shipyard Limited (CSL), a CPSE, is a Government Company as per the provisions of the Companies Act, 2013. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, Government Companies are exempted from Section 197 of the Companies Act, 2013 and its rules thereof.

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

15. Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy, Technology

Absorption and Foreign Exchange Earnings and Outgo are placed at **Annexure I**.

Risk Management

16. The Company operates under a Comprehensive Risk Management Policy approved by the Board at its 14th Meeting (Post-CIRP) held on July 13, 2022. This framework establishes an institution-wide risk management system featuring structured protocols for risk identification, assessment, mitigation response, continuous monitoring, and strategic reporting. The Policy provides the management and the Board of Directors with reasonable assurance that the organization's critical risks are systematically identified and effectively managed.

17. In alignment with the Policy, the Board of Directors maintains ultimate oversight of the Company's risk management architecture, conducting formal reviews at scheduled periodic intervals. Operationally, risk mitigation is driven by the Risk Management Steering Committee alongside functional Risk Management Committees, which ensure policy implementation across all business segments. These Committees, in conjunction with the Board, consistently review the evolving risk landscape and operational protocols. A dedicated Chief Risk Officer (CRO) serves as the central coordinator, supervising all risk management activities across the entire enterprise.

Health, Safety & Environment (HSE)

18. Udupi-CSL recognizes that its workforce plays a vital role in achieving business objectives and continues to foster a robust health, safety, and environmental (HSE) culture across all operations. To guarantee a safe and compliant workplace, Udupi-CSL maintains its Integrated Management System (IMS) certifications—comprising ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health & Safety Management System)—issued by Bureau Veritas, a premier global certification body. The most recent IMS surveillance audit was successfully concluded in February 2026.

19. To maintain oversight, Udupi-CSL utilizes a dedicated Safety Officer and an Electrical Safety Officer to monitor general and electrical safety standards, respectively. The Company maintains active membership in the National Safety Council (Karnataka Chapter) and delivered 296 HSE induction training sessions this year to drive safety awareness. Further, 598 onsite toolbox talk meetings were conducted to reinforce safe daily practices. Operational preparedness was tested through ten emergency mock drills, covering fire scenarios, confined space rescues, electric shock responses, cyclone emergencies, chemical spills, and civil defense maneuvers. Widespread employee engagement was also achieved during National Safety Day and World Environment Day through safety pledges, campaigns, and tree-plantation drives. Consequently, the Company concluded the reporting period with 937 consecutive accident-free working days, underscoring its commitment to safety and regulatory compliance.

Board of Directors & Key Managerial Personnel

20. As on March 31, 2026, the Company had five directors, all of whom are Non-Executive Directors and three Key Managerial Personnel viz., the CEO, CFO and the Company Secretary, the details of which are given below:

Sl. No.	Name	DIN	Designation
1.	Shri Jose V J	08444440	Chairman
2.	Dr. Harikrishnan S	10221559	Director
3.	Shri Rajesh Gopalakrishnan	09576336	Director
4.	Shri Shiraz V P	11170690	Director
5.	Smt. Anjana K R	09545253	Director
6.	Shri Harikumar A	N.A.	Chief Executive Officer
7.	Shri Shankar Nataraj	N.A.	Chief Financial Officer
8.	Shri Aswin Sarma M	N.A.	Company Secretary

21. During the financial year 2025-26, following were the changes in the Directors of the company:

    (a) Shri Bejoy Bhasker (DIN: 08103825) and Shri Sreejith K Narayanan (DIN: 09543968) ceased to be Directors with effect from June 01, 2025, on account of withdrawal of nomination by Cochin Shipyard Limited (CSL), the holding company, consequent to their retirement on superannuation from the services of CSL.

    (b) Dr. Harikrishnan S (DIN: 10221559) and Shri Shiraz V P (DIN: 11170690) were appointed as Directors on the Board of the Company, as the nominees of CSL with effect from July 23, 2025.

(c) Shri Madhu Sankunny Nair (DIN: 07376798) ceased to be a Director and the Chairman with effect from February 01, 2026, on account of withdrawal of directorship by Cochin Shipyard Limited (CSL), the holding company, consequent to his retirement on superannuation from the services of CSL.

(d) Shri Jose V J (DIN: 08444440) assumed charge as the Chairman on account of entrustment of additional charge of Chairman and Managing Director (CMD) of Cochin Shipyard Limited (CSL) with effect from February 01, 2026, consequent upon the retirement on superannuation of Shri Madhu Sankunny Nair (DIN: 07376798) as CMD of CSL on January 31, 2026.

22. Shri Jose V J (DIN: 08444440) and Smt. Anjana K R (DIN: 09545253), whose office as Directors were liable to retire by rotation and being eligible were reappointed as the Directors of the Company in the 41st Annual General Meeting held on September 18, 2025.

23. There were no other changes in the Directors and Key Managerial Personnel (KMP) during the financial year 2025-26.

24. Further, Shri Vaasu was appointed as the Company Secretary of the Company with effect from April 25, 2026, in place of Shri Aswin Sarma M, consequent to the withdrawal of the latter's assignment to the Company by Cochin Shipyard Limited (CSL), the holding company.

Details of Board Meetings held during 2025-26

25. Seven Board Meetings have been held during the financial year 2025-26 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held and the attendance of Directors in the said meetings are as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1.	April 25, 2025	6	6
2.	July 22, 2025	4	3
3.	September 18, 2025	6	5
4.	November 04, 2025	6	6
5.	December 29, 2025	6	5
6.	January 22, 2026	6	6
7.	March 17, 2026	5	5

26. The attendance record of each director in the Board Meetings held during the financial year 2025-26 is given below:

Sl. No.	Name	DIN	No. of Board Meetings attended
1.	Shri Madhu Sankunny Nair*	07376798	6/6
2.	Shri Bejoy Bhasker#	08103825	1/1
3.	Shri Jose V J	08444440	7/7
4.	Shri Sreejith K Narayanan#	09543968	1/1
5.	Shri Rajesh Gopalakrishnan	09576336	7/7
6.	Smt. Anjana K R	09545253	5/7
7.	Dr. Harikrishnan S^	10221559	4/5
8.	Shri Shiraz V P^	11170690	5/5

*Shri Madhu Sankunny Nair (DIN: 07376798) ceased to be a Director and the Chairman with effect from February 01, 2026, on account of withdrawal of directorship by Cochin Shipyard Limited (CSL), the holding company, consequent to his retirement on superannuation from the services of CSL.

#Shri Bejoy Bhasker (DIN: 08103825) and Shri Sreejith K Narayanan (DIN: 09543968) ceased to be Directors with effect from June 01, 2025, on account of withdrawal of nomination by Cochin Shipyard Limited (CSL), the holding company, consequent to their retirement on superannuation from the services of CSL.

^Dr. Harikrishnan S (DIN: 10221559) and Shri Shiraz V P (DIN: 11170690) were appointed as Directors on the Board of the Company, as the nominees of CSL with effect from July 23, 2025.

Committees of the Board

27. The Company, being a wholly owned subsidiary, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee. The Company is also not required to constitute the other statutory committees viz., Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee in view of the fact that the Company has not breached the threshold as prescribed under the relevant provisions of the Companies Act, 2013. Accordingly, no statutory committees of the Board have been constituted during the financial year 2025-26.

Evaluation of Board's Performance

28. The Company being a wholly owned subsidiary of Cochin Shipyard Limited (CSL), a CPSE, is a Government Company as per the provisions of the Companies Act, 2013. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, Government Companies are exempted from the provisions of Section 134(3)(p) of the Companies Act, 2013 regarding statement on formal annual evaluation. Further, the said exemption notification also exempts the Government Companies from the provisions of Sub-Sections (2), (3) & (4) of Section 178 of the Companies Act, 2013 regarding appointment, performance evaluation and remuneration of Directors.

Declaration by Independent Directors

29. The Company has no Independent Directors on the Board as of now. The Company being a wholly owned subsidiary, is not required to appoint Independent Directors pursuant to the provisions of Rule 4(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Directors' Responsibility Statement

30. Your Directors state that:

    (a) in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;

    (b) the Directors had 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 at the end of the financial year 2025-26 and of the profit of the Company for that period;

    (c) the Directors had 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;

    (d) the Directors had prepared the annual accounts on a going concern basis; and

    (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

31. During the financial year 2025-26, no related party transactions have been entered into by the Company which attracted the provisions of Section 188 of the Companies Act, 2013. Further, your Directors draw attention to Note 46 to the financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

Corporate Governance

32. The report on Corporate Governance for the financial year 2025-26, prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE) is presented in a separate section forming part of the Annual Report.

Management Discussion and Analysis

33. The Management Discussion and Analysis Report (MDAR) provides an overview of the affairs of the Company, the industry analysis, business environment, segment-wise performance, strengths, opportunities, constraints, risks and concerns. The MDAR for the year under review, prepared in accordance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the DPE, is presented in a separate section forming part of the Annual Report.

Internal Financial Controls

34. The Company has adopted robust policies and procedures to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures. The Company had engaged M/s. RAGA Consulting LLP, Chartered Accountants, for review and testing the internal financial controls of the Company.

Their assessment confirmed that these controls were adequate, commensurate with the size and nature of the Company's business and were operating effectively. The Company continues to maintain and monitor these robust internal financial controls.

Secretarial Standards of ICSI

35. Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2). The Company is complying with the same.

Statutory Auditors

36. M/s. K P Kanchan & Co. (Firm Registration No. 027635S), Chartered Accountants, Udupi were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) for the financial year 2025-26.

Statutory Auditors Report

37. M/s. K P Kanchan & Co., Statutory Auditors have submitted their Report on the financial statements of the Company for the financial year ended March 31, 2026, on April 24, 2026, which forms part of the Annual Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Supplementary Audit

38. The Comptroller and Auditor General of India (C&AG) has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended March 31, 2026.

Comments of C&AG

39. 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.

Secretarial Auditors

40. M/s. SVJS & Associates (ICSI Unique Code: P2008KE017900), Practicing Company Secretaries, Kochi were appointed as the Secretarial Auditors of the Company to conduct the Secretarial Audit under the Companies Act, 2013 for the financial year 2025-26.

Secretarial Auditors Report

41. M/s. SVJS & Associates, Secretarial Auditors have submitted their Report on May 13, 2026, which is placed at Annexure II to this Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Internal Auditors

42. M/s. Shebin & Associates (Firm Registration No. 026506S), Chartered Accountants, Kochi were appointed as the Internal Auditors of the Company to conduct the Internal Audit for the financial year 2025-26.

Status on Affirmative Action to Implement Presidential Directives on Reservations

43. The Company is complying with the Presidential directives and guidelines on reservation for Scheduled Caste (SC)/ Scheduled Tribes (ST)/ Other Backward Classes (OBC)/ Economically Weaker Sections (EWS), Persons with Benchmark Disabilities (PwBD) and Ex-Servicemen issued by the Government of India from time to time.

Vigilance

44. There were no vigilance cases pending/ disposed off during the financial year 2025-26.

Right to Information Act, 2005

45. All the RTI requests received during the year 2025-26 have been processed and information was provided in a time bound manner as stipulated in the Right to Information (RTI) Act, 2005.

Vigil Mechanism

46. The Company is not falling under the provisions of Section 177(9) of the Companies Act, 2013 and the rules thereof, which mandates establishment of a Vigil Mechanism. However, the Whistle Blower and Fraud Prevention Policy of Cochin Shipyard Limited (CSL), the holding company is applicable on the Company and acts as the Vigil Mechanism of Udupi-CSL. The said policy is available at the Company’s website at www.udupicsl.com.

Annual Return

47. A copy of the Annual Return of the Company as per Section 92(3) of the Companies Act, 2013 is available at the Company’s website at www.udupicsl.com.

Cost Audit

48. The Company maintains cost records as required under Section 148(1) of the Companies Act, 2013. M/s. BBS & Associates (Firm Registration No. 00273), Cost Accountants, Kochi were appointed as the Cost Auditors for conducting the audit of cost records of the Company for the financial year 2025-26. The remuneration of Cost Auditors for the financial year 2025-26 was ratified by the shareholders at the 41st AGM held on September 18, 2025.

Corporate Social Responsibility (CSR)

49. During the year under review, the Company came under the ambit of CSR provisions for the first time since conclusion of the Corporate Insolvency Resolution Process (CIRP), with a CSR obligation of ₹ 10,000 for the financial year 2025-26. Considering the quantum of the CSR obligation and the established track record of its holding company, Cochin Shipyard Limited (CSL) in undertaking CSR activities, the Company contributed the amount to CSL towards the construction of an open auditorium for Gandhi Shatabdi Government Model Higher Primary School, Malpe implemented through Palli Srinivas Hegde Charitable Trust, Udupi, in compliance with the applicable provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

50. The Annual Report on CSR activities is placed at **Annexure III**.

Details of subsidiaries, joint ventures or associate companies

51. The Company does not have any subsidiaries, joint ventures or associate companies.

Details of frauds reported by Auditors under Section 143

52. Nil.

Material changes and commitments

53. 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.

Particulars of loans, guarantees or investments

54. 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.

Details of change in nature of business

55. There has been no change in the nature of business of the Company during the year under review.

Deposits

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

Significant and Material orders

57. 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

58. No application was filed against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC) during the year under review. However, certain applications filed in connection with/ stemming from the takeover of the Company by CSL under IBC in the year 2020, have been disposed of by the Hon'ble National Company Law Tribunal, Chennai, in favour of the Company.

Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

59. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of complaints filed under the said Act during the financial year 2025-26 is given below in the prescribed format.

(a)	number of complaints of sexual harassment received in the year	Nil
(b)	number of complaints disposed off during the year	Nil
(c)	number of cases pending for more than ninety days	Nil

Compliance with the Maternity Benefits Act, 1961

60. The Company has diligently adhered to all applicable provisions of the Maternity Benefits Act, 1961 during the financial year 2025-26.

Other Statutory Disclosures

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

    - There was no issue of equity shares with differential rights as to dividend, voting or otherwise;
    - There was no issue of equity shares (including sweat equity shares) to employees of the Company under Employees Stock Option Scheme;
    - 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;
    - There was no instance of one-time settlement with any Bank or Financial Institution; and
    - There was no revision of financial statements and/ or Directors' Report of the Company under Section 131 of the Companies Act, 2013.

Acknowledgement

62. The Board of Directors gratefully acknowledges the continued guidance, support, and confidence extended by the Hon'ble Minister of Ports, Shipping and Waterways, Cochin Shipyard Limited (CSL), and the officials of the Ministry of Ports, Shipping and Waterways and CSL. The Board also places on record its appreciation for the valuable assistance and cooperation received from various offices of the Government of India, the Government of Karnataka, the Government of Tamil Nadu, the Comptroller & Auditor General of India and local authorities. The Board extends its sincere thanks to the Company's customers, business associates, bankers, auditors, legal counsels, consultants, suppliers and sub-contractors for their continued trust, support, and contribution towards the Company's progress. The Board also recognizes and appreciates the dedication, commitment, and efforts of all employees, whose collective contributions have been vital to the Company's achievements during the year. The Company remains committed to building on the support and trust of its stakeholders and looks forward to their continued association in its journey towards sustainable growth and value creation.

For and on behalf of the Board of Directors

Jose V J
Chairman
DIN: 08444440

Kochi
July 24, 2026

Annexure I

(A) Conservation of Energy

(i) Steps taken or impact on conservation of energy during the year 2025-26:	**Steps Taken** • The existing lighting system at the repair outfit shed consisting of 32 Nos. of 400 W sodium vapour lights was replaced with 16 Nos. of energy-efficient LED light fittings. • All 32 Nos. of existing 400 W sodium vapour lamps at the Hangarkatte Yard (CS Bay) were replaced with LED light fittings. • Installed a new 1010 kVA Diesel Generator (DG) equipped with an electronic governor and an advanced fuel injection system, in place of the existing two 500 kVA DG sets. **Impact** The above measures contributed to improved energy efficiency through reduction in electricity consumption, improved illumination, reduced maintenance requirements and better fuel efficiency and operational reliability during power interruptions.
(ii) Steps taken for utilising alternate sources of energy:	Nil
(iii) Capital investment on energy conservation equipments:	An amount of approximately ₹ 67.40 lakhs have been invested for implementation of energy conservation measures specified above.

(B) Technology Absorption

(i) Efforts made towards technology absorption:	The Company continued to strengthen its technological capabilities by adopting globally proven ship designs and advanced systems for its key products. The Bollard Pull Tugs are built using state-of-the-art designs from Robert Allan Limited, Canada, while the Dry Cargo Vessels are based on designs developed in collaboration with Conoship International BV, Netherlands. The Company's Green Tugs incorporate advanced battery systems supplied by Green Maritime Propulsion Private Limited (A JV Company formed between Cochin Shipyard Limited and HBL Engineering Limited) and integrated electrical packages from ABB, demonstrating the Company's focus on innovative, sustainable and technology-driven shipbuilding solutions. Further, the Company has accorded preference to indigenously manufactured products, wherever technically and commercially feasible, for the projects undertaken at the Yard, with a view to reducing dependence on imported stores, spares and equipment and promoting the use of domestic products.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitutions:	The adoption of advanced ship designs and modern technologies has enabled the Company to construct technologically advanced and environmentally sustainable vessels, resulting in improved product quality, enhanced operational efficiency and strengthened execution capabilities. Further, opting for Made in India products, wherever possible, for the projects that are being undertaken at the Yard has reduced dependence on imports and supported domestic manufacturing.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):			
(a) The details of technology imported:	Basic Design for 62T and 70T Bollard Pull Tugs.	Basic Design and Detailed Engineering for the Future Proof 3800 TDW Dry Cargo Vessels.	Basic Design and Detailed Engineering for the 6300 TDW Dry Cargo Vessels.
(b) The year of import:	2022-23	2023-24	2024-25
(c) Whether the technology been fully absorbed:	Yes	Yes	No
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	N.A.	N.A.	The absorption is in the final stages.
(iv) Expenditure incurred on Research and Development:	Nil		

(C) Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Particulars	2025-26	2024-25
Earnings in Foreign Exchange		
From Shipbuilding	35,973.39	17,138.70
From Ship repair	-	-
Total	**35,973.39**	**17,138.70**
Expenditure in Foreign Exchange		
Materials (CIF Value)	21,316.02	12,960.50
Design & Documentation	548.96	1,864.68
Service Charge & Others	635.90	462.41
Total	**22,500.87**	**15,287.59**

For and on behalf of the Board of Directors

Jose V J
Chairman
DIN: 08444440

Kochi
July 24, 2026

Annexure II

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 authorized 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

For and on behalf of the Board of Directors

Jose V J
Chairman
DIN: 08444440

Kochi
July 24, 2026

Annexure III

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. Brief outline on CSR Policy of the Company

The Company is committed to conducting its business in a socially responsible and sustainable manner and recognizes its responsibility towards the welfare of society and the environment. During the financial year 2025–26, the Company became subject to the CSR provisions for the first time since the conclusion of the Corporate Insolvency Resolution Process (CIRP). Considering the nominal CSR obligation of ₹ 10,000 and the established expertise of its holding company, Cochin Shipyard Limited (CSL), in implementing CSR programmes, the Company contributed its entire CSR obligation to CSL towards an eligible CSR project, in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

2. Composition of CSR Committee

Since the CSR obligation of the Company was nominal for the financial year 2025–26, the Company was not required to constitute a Corporate Social Responsibility (CSR) Committee, as it did not meet the prescribed threshold under Section 135 of the Companies Act, 2013. Consequently, the CSR functions, to the extent applicable, were overseen by the Board of Directors.

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	Not Applicable
CSR Policy	https://udupicsl.com/index.php/csr/
CSR projects approved by the Board	https://udupicsl.com/index.php/csr/

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

No impact assessment was required to be carried out during the financial year 2025-26.

5. (a) Average net profit of the Company as per sub-section (5) of section 135 of the Companies Act, 2013 (“Act”) : ₹ 4.85 Lakhs

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act : ₹ 0.10 Lakhs

(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 : Nil

(e) Total CSR obligation for the financial year [(b) + (c) – (d)] : ₹ 0.10 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 0.10 Lakhs

(b) Amount spent in Administrative Overheads : Nil

(c) Amount spent on Impact Assessment, if applicable : Not Applicable

(d) Total amount spent for the financial year [(a) + (b) + (c)] : ₹ 0.10 Lakhs

(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
10,000	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	0.10 Lakhs
(ii)	Total amount spent for the financial year	0.10 Lakhs
(iii)	Excess amount spent for the financial year [(ii) - (i)]	Nil
(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)]	Nil

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 NA

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

Not Applicable.

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
Chairman
DIN: 08444440

Kochi
July 24, 2026

Report on Corporate Governance

Company's Philosophy on Corporate Governance

1. Udupi Cochin Shipyard Limited ("Udupi-CSL"/ "Company"), a wholly owned subsidiary of Cochin Shipyard Limited (CSL), is committed to embedding the principles of corporate governance across all aspects of its operations. Management continuously works to strengthen governance practices by fostering transparency, fairness, accountability, and stakeholder engagement in the conduct of business. This Corporate Governance Report has been prepared in accordance with the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE).

Board of Directors

2. As per the approval of the Ministry of Ports, Shipping and Waterways, Government of India, the Chairman and Managing Director (CMD) of CSL shall be the Chairman of Udupi-CSL and the other Directors on the Board will be nominated by the CMD, CSL from amongst the Whole-time Directors and officers of CSL not below the rank of General Manager, as Part Time Directors on ex-officio basis.

3. As on March 31, 2026, the Board of the Company consists of five Non-Executive Directors. The Company has a Non-Executive Chairman. The composition of the Board as on March 31, 2026 is as follows:

Sl. No.	Name	DIN	Designation
1.	Shri Jose V J	08444440	Chairman
2.	Dr. Harikrishnan S	10221559	Director
3.	Shri Rajesh Gopalakrishnan	09576336	Director
4.	Shri Shiraz V P	11170690	Director
5.	Smt. Anjana K R	09545253	Director

4. During the financial year 2025-26, following were the changes in the Directors of the company:

   (a) Shri Bejoy Bhasker (DIN: 08103825) and Shri Sreejith K Narayanan (DIN: 09543968) ceased to be Directors with effect from June 01, 2025, on account of withdrawal of nomination by Cochin Shipyard Limited (CSL), the holding company, consequent to their retirement on superannuation from the services of CSL.

   (b) Dr. Harikrishnan S (DIN: 10221559) and Shri Shiraz V P (DIN: 11170690) were appointed as Directors on the Board of the Company, as the nominees of CSL with effect from July 23, 2025.

   (c) Shri Madhu Sankunny Nair (DIN: 07376798) ceased to be a Director and the Chairman with effect from February 01, 2026, on account of withdrawal of directorship by Cochin Shipyard Limited (CSL), the holding company, consequent to his retirement on superannuation from the services of CSL.

   (d) Shri Jose V J (DIN: 08444440) assumed charge as the Chairman on account of entrustment of additional charge of Chairman and Managing Director (CMD) of Cochin Shipyard Limited (CSL) with effect from February 01, 2026, consequent upon the retirement on superannuation of Shri Madhu Sankunny Nair (DIN: 07376798) as CMD of CSL on January 31, 2026.

5. Shri Jose V J (DIN: 08444440) and Smt. Anjana K R (DIN: 09545253), whose office as Directors were liable to retire by rotation and being eligible were reappointed as the Directors of the Company in the 41st Annual General Meeting held on September 18, 2025.

6. There were no other changes in the Directors during the financial year 2025-26.

7. The profile of the Directors who are on the Board of the Company as on the date of this report including the nature of their expertise in specific functional areas is given in the first part of the Annual Report. The details of directorships and committee positions held by the Directors as on March 31, 2026, are provided under the heading 'Directorships and Committee positions' below.

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

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

9. Seven Board Meetings have been held during the financial year 2025-26 and the gap between two meetings did not exceed 120 days. The 41st AGM of the Company was held on September 18, 2025 through electronic mode. The details of attendance of Directors at the said Board Meetings and AGM are given below:

Name of the Director	Board Meeting							AGM
	2025					2026		Sep 18, 2025
	Apr 25	Jul 22	Sept 18	Nov 04	Dec 29	Jan 22	Mar 17	
Shri Madhu Sankunny Nair#	Yes	Yes	Yes	Yes*	Yes	Yes	N.A.	Yes
Shri Bejoy Bhasker^	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Jose V J	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sreejith K Narayanan^	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Rajesh Gopalakrishnan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Smt. Anjana K R	Yes	No	Yes	Yes	No	Yes	Yes	Yes
Dr. Harikrishnan S$	N.A.	N.A.	No	Yes	Yes	Yes	Yes	No
Shri Shiraz V P$	N.A.	N.A.	Yes	Yes	Yes	Yes	Yes	Yes

*Attended through electronic mode.

#Shri Madhu Sankunny Nair (DIN: 07376798) ceased to be a Director and the Chairman with effect from February 01, 2026, on account of withdrawal of directorship by Cochin Shipyard Limited (CSL), the holding company, consequent to his retirement on superannuation from the services of CSL.

^Shri Bejoy Bhasker (DIN: 08103825) and Shri Sreejith K Narayanan (DIN: 09543968) ceased to be Directors with effect from June 01, 2025, on account of withdrawal of nomination by Cochin Shipyard Limited (CSL), the holding company, consequent to their retirement on superannuation from the services of CSL.

$Dr. Harikrishnan S (DIN: 10221559) and Shri Shiraz V P (DIN: 11170690) were appointed as Directors on the Board of the Company, as the nominees of CSL with effect from July 23, 2025.

Directorships and Committee positions

10. The total number of Directorships/ Chairmanships held by Directors and the positions of Membership/ Chairmanship on Committees including Udupi Cochin Shipyard Limited as on March 31, 2026, unless otherwise stated, are given below:

Name of the Director	No. of Directorship		Board Committees	
	Chairman	Member	Chairman	Member
Shri Madhu Sankunny Nair (As on the tenure end date of January 31, 2026)	3	3	-	1
Shri Bejoy Bhasker (As on the tenure end date of May 31, 2025)	-	3	-	-
Shri Jose V J*	3	3	-	1
Shri Sreejith K Narayanan (As on the tenure end date of May 31, 2025)	-	3	-	-
Dr. Harikrishnan S	-	3	-	1
Shri Rajesh Gopalakrishnan	-	3	-	1
Smt. Anjana K R	-	2	-	-
Shri Shiraz V P	-	1	-	-

*Shri Jose V J has been entrusted with the additional charge of Chairman and Managing Director (CMD) of Cochin Shipyard Limited (CSL) with effect from February 01, 2026, following the retirement on superannuation of Shri Madhu Sankunny Nair (DIN: 07376798) as CMD of CSL on January 31, 2026. Consequently, Shri Jose V J assumed charge as the Chairman of CSL's wholly-owned subsidiaries viz., Udupi-CSL and Hooghly-CSL.

- The Directorships held by Directors as mentioned above does not include Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.
- Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies and Government Companies have been considered.

Board Committees

11. The Company, being a wholly owned subsidiary, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee. The Company is also not required to constitute the other statutory committees viz., Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee in view of the fact that the Company has not breached the threshold as prescribed under the relevant provisions of the Companies Act, 2013. Accordingly, no statutory committees of the Board have been constituted during the financial year 2025-26.

General Body Meetings

12. The date, time and venue of the last three Annual General Meetings (AGM) are given below:

Year	Date & Time	Venue	Special Resolution passed
2022-23	September 19, 2023 at 11.15 hrs.	Not Applicable since the meeting was held through electronic mode	No
2023-24	September 19, 2024 at 09.15 hrs.	Not Applicable since the meeting was held through electronic mode	No
2024-25	September 18, 2025 at 10.00 hrs.	Not Applicable since the meeting was held through electronic mode	No

13. No Extra Ordinary General Meetings (EGM) have been held during the financial year 2025-26.

14. The 42nd AGM of the Company is scheduled to be held on September 15, 2026 at 10:45 hrs. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

Code of Conduct

15. The Board has prescribed a Code of Conduct ('Code') for all the Board Members and Senior Management of the Company as required under the DPE Guidelines on Corporate Governance. All Board Members and Senior Management Personnel have confirmed compliance with the Code for the financial year ended March 31, 2026. A declaration signed by the Chief Executive Officer of the Company in this regard is given below:

Pursuant to the Department of Public Enterprises (DPE) Guidelines on Corporate Governance, it is hereby declared that all the Board Members and Senior Management Personnel of Udupi Cochin Shipyard Limited (Udupi-CSL) have affirmed compliance with the Code of Business Conduct and Ethics for Board Members and Senior Management for the financial year ended March 31, 2026.

Harikumar A
Chief Executive Officer

Remuneration to Directors

16. The Directors of the Company are the Functional Directors/ Senior Management Personnel of Cochin Shipyard Limited (CSL), the holding company, who are appointed as Non-Executive Directors on ex-officio basis. Accordingly, no remuneration including performance linked incentives are payable to the Directors. Further, there have been no pecuniary relationship or transactions between the Directors and the Company during the reporting period.

Other Disclosures

Related Party Transactions

17. During the year under review, the Company has not entered into any materially significant related party transactions that had or may have conflict with the interests of the Company at large. Further, related party disclosures as per Indian Accounting Standard (Ind AS) 24 is set out at Note 46 to the financial statements of the Company.

Non-compliance by the Company

18. There were no cases of non-compliance by the Company and no penalties/ strictures were imposed on the Company by any statutory authority on any matter related to any guidelines issued by Government, during the period since the completion of the insolvency resolution process of the Company.

Whistle Blower Policy

19. The Company has an effective Whistle Blower Policy which provides the framework for stakeholders to report to the management, instances of illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower and Fraud Prevention Policy adopted by Cochin Shipyard Limited (CSL), the holding company, is applicable on the Company and acts as the Whistle Blower Policy/ Vigil Mechanism of Udupi Cochin Shipyard Limited. The said Policy has been hosted on the website of the Company at www.udupicsl.com. During the period under report no personnel has been denied access to the Vigil Mechanism of the Company.

Compliance with DPE Guidelines on Corporate Governance

20. The Company has complied with the conditions of Corporate Governance, wherever applicable, 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. A Certificate in this regard obtained from a Practicing Company Secretary is placed at Annexure I.

Details of Presidential Directives issued by Central Government and their compliance during the year and also in the last three years

21. The Company became a wholly owned subsidiary of Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping and Waterways, Government of India in September 2020 through the statutory insolvency resolution process. The Company has been complying with the Presidential Directives issued by Central Government with respect to the Public Sector Undertakings (PSU), wherever applicable.

Items of expenditure debited in books of accounts, which are not for the purposes of the business

22. Nil.

Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management

23. Nil.

Details of administrative and office expenses

24. The administrative and office expenses of the Company for the year 2025-26 were 11.82% (10.78% PY) of the total expenses. The financial expenses stood at 1.30% (0.68% PY) of the total expenses in the year 2025-26.

Means of communication of results

25. As the Company's shares are not listed in any of the stock exchanges, there is no statutory requirement for publishing the quarterly/ half yearly/ annual results. However, the consolidated financial results (quarterly/ half yearly/ annual) of Cochin Shipyard Limited (CSL), the holding company which takes into account the financial results of the Company as well is published as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Annual Reports and the official news releases of the Company are placed at the Company's website at www.udupicsl.com. Further, the Annual Reports of the Company are also hosted on the website of CSL viz., www.cochinshipyard.in.

Audit Qualifications

26. The Report submitted by the Statutory Auditors, M/s. K P Kanchan & Co., with respect to the financial statements of the Company for the financial year 2025-26 does not contain any qualifications/ adverse remark.

Training of Board Members

27. The Directors of the Company are the Functional Directors/ Senior Management Personnel of Cochin Shipyard Limited (CSL), the holding company and also have a very vast, wide and varied experience in the areas of education, industry, defence, management, human resource management and administration. CSL imparts training to the Directors/ Senior Management Personnel, wherever considered necessary.

Address for Correspondence

Udupi Cochin Shipyard Limited
S.No.377, Pazhamathur Village
Pukathurai Post, Madurantakam Taluk
Kancheepuram – 603 116
e-mail: secretary@udupicsl.com
website: www.udupicsl.com

For and on behalf of the Board of Directors

Jose V J
Chairman
DIN: 08444440

Kochi
July 24, 2026

Annexure I

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
Udupi Cochin Shipyard Limited
S.No.377 Pazhamathur Village, Pukathurai Post,
Madurantakam Taluk, Kancheepuram,
Tamil Nadu, India, 603116

We have examined the compliance of conditions of Corporate Governance by **UDUPI COCHIN SHIPYARD LIMITED [CIN: U27209TN1984GOI010994]** (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.

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.

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 above-mentioned guidelines.

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: F003067H000354858

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 the statement. 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 (the "Act") and comply with the Accounting Standards specified under Section 133 of the Act. The management of Udupi Cochin Shipyard Limited ("Udupi-CSL" or "the Company") has used estimates and judgments 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 result of operations should be read together with our audited financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "UCSL", "Udupi-CSL" "Group" are with respect to Udupi Cochin Shipyard Limited and its holding company.

Shipbuilding Industry

Global Shipbuilding Industry

3. The global shipbuilding industry operated in a challenging yet resilient environment during FY 2025–26, shaped by geopolitical tensions, trade policy uncertainties, evolving supply chains, and changing patterns in global seaborne trade. These developments influenced international shipping routes, freight markets, and maritime logistics, while reinforcing the need for fleet renewal and modernization. Driven by increasingly stringent environmental regulations and the global transition towards low-carbon shipping, shipowners continued to invest in technologically advanced, fuel-efficient, and environmentally compliant vessels to enhance operational efficiency and meet evolving decarbonization requirements.

4. According to the International Monetary Fund (IMF), global economic growth is projected at around 3.0% in 2026, reflecting a gradual recovery amid persistent geopolitical and macroeconomic uncertainties. Although global seaborne trade growth is expected to remain subdued compared with previous years due to trade policy measures, regional conflicts, and supply chain disruptions, the long-term fundamentals of the maritime sector continue to support investments in fleet modernization and replacement.

5. China, South Korea, and Japan continued to dominate the global shipbuilding industry, accounting for the majority of commercial shipbuilding orders and deliveries. Demand remained robust for container vessels, LNG carriers, dual-fuel vessels, offshore support vessels, and other specialised ships. At the same time, investments in alternative-fuel technologies, including LNG, methanol, ammonia-ready, and other low-emission vessel designs, reflected the industry's continued transition towards greener and more sustainable shipping.

6. The global shipbuilding orderbook remained at healthy levels, providing sustained business visibility for major shipyards. However, constraints in shipyard capacity, rising construction costs, supply chain disruptions, and shortages of skilled manpower continued to influence newbuilding prices and delivery schedules across several markets.

7. Looking ahead, the global shipbuilding industry is expected to maintain a positive long-term outlook, supported by sustained fleet replacement demand, increasingly stringent environmental regulations, growth in offshore and renewable energy sectors, and continued investments in digital shipbuilding technologies, automation, and alternative-fuel propulsion systems. While geopolitical

uncertainties, supply chain constraints, and cost pressures may persist in the near term, these structural growth drivers are expected to create significant opportunities for technologically advanced and sustainable shipbuilding.

Indian Shipbuilding Industry

8. India continues to strengthen its position as an emerging maritime nation, supported by robust economic growth, expanding port infrastructure, increasing coastal and inland waterway transportation, and sustained policy support for the maritime sector. The country's growing trade volumes, strategic geographic location, and increasing focus on self-reliance have created favourable conditions for the development of the domestic shipbuilding and ship repair industry.

9. The Indian shipbuilding industry comprises both public and private sector shipyards catering to commercial, offshore, defence and coastal vessel segments. Public sector shipyards continue to play a strategic role in the construction of complex naval and commercial vessels, while private shipyards have expanded their capabilities in building cargo vessels, offshore support vessels, tugs, patrol vessels, fishing vessels and specialised craft. The combined strengths of these shipyards are steadily enhancing India's indigenous shipbuilding capacity and technological capabilities.

10. Unlike traditional mass-manufacturing sectors, the shipbuilding industry operates on a custom, order-driven business model. As of FY25, India's aggregate order book reached 517 vessels totalling 797.3 thousand DWT. During FY25, Indian yards successfully delivered 259 ships with a combined tonnage of 65.1 thousand DWT, a 124.3% YoY surge compared to FY24 deliveries.

11. The industry is witnessing increasing demand driven by fleet replacement, coastal shipping, inland water transport, offshore energy, port development, and defence modernisation. Simultaneously, the global transition towards cleaner shipping is generating opportunities for Indian shipyards to participate in the construction of energy-efficient and alternative-fuel vessels, including LNG and other low-emission vessel designs.

12. Recognising the strategic importance of the maritime sector, the Government of India has continued to strengthen the policy framework through the Maritime India Vision 2030 (MIV 2030) and the Maritime Amrit Kaal Vision 2047 (MAKV 2047) aimed to enhance indigenous shipbuilding capacity, improve global competitiveness, promote technological advancement, and position India as an emerging hub for shipbuilding. The Ministry of Ports, Shipping and Waterways has established the ViBhaS (Viksit Bharat Sankalp) and NAVIC (Neel Arth Vision Implementation Cells) framework to drive the implementation of MIV 2030 and 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.

13. 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. The key policy initiatives of the Government of India for the Indian Shipping Industry are given below:

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.

Initiative / Policy	Description
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.
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.

14. 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.

15. The medium-to long-term outlook for the Indian shipbuilding industry remains positive. Rising domestic demand, increasing investments in maritime infrastructure, sustained defence procurement, expansion of coastal and inland water transport, and supportive Government policies are expected to drive growth in shipbuilding and ship repair activities. At the same time, global supply constraints, increasing demand for specialised and environmentally compliant vessels, and the diversification of international supply chains present significant opportunities for Indian shipyards to enhance their presence in global markets. With continued investments in technology, infrastructure, skill development and operational excellence, the Indian shipbuilding industry is well positioned to emerge as an important contributor to the country's maritime economy and long-term industrial growth.

16. Against this favourable industry backdrop, Udupi Cochin Shipyard Limited is well positioned to leverage the growing opportunities in the domestic and international

shipbuilding markets through its established infrastructure, technical capabilities, support from its holding company, Cochin Shipyard Limited (CSL), and continued focus on quality, timely execution, and operational excellence.

Operations

17. The financial year 2025-26 has been another year of sustained growth and strong operational performance for Udupi Cochin Shipyard Limited. During the year, the Company successfully delivered a total of six vessels comprising of two 70T Bollard Pull Tugs to Ocean Sparkle Limited and four Future Proof 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway. The Company also achieved significant progress on its ongoing projects, culminating in the delivery of the fifth and sixth vessels in the series of six Future Proof 3800 TDW Dry Cargo Vessels to Wilson ASA, Norway during the first part of the financial year 2026-27. The successful completion of this prestigious export order marks a significant milestone for the Company and reinforces its capabilities in executing high-quality shipbuilding projects for international customers. In addition, the Company delivered a 70T Bollard Pull Tug to Polestar Maritime Limited during the said period.

18. Building on its proven execution capabilities, the Company further strengthened its order pipeline through work-share arrangements with its holding company, Cochin Shipyard Limited (CSL), for the construction of a total of eight vessels. These comprise two 70T Bollard Pull Tugs, two 60T Green Tugs (Electric) for Polestar Maritime Limited and four 70T Electric Harbour Escort Tugs for Svitzer, Denmark. To ensure seamless execution of these projects, the Company has established a dedicated project office at Kochi to oversee and coordinate construction activities under the work-share arrangements.

19. During the first part of the financial year 2026-27, the Company also secured fresh orders from Ocean Sparkle Limited for the construction of four 70T Bollard Pull Tugs, reinforcing the Company's strong customer relationships and the confidence reposed by the customers in its execution capabilities and quality standards. As on the date of this report, the Company has a robust unexecuted order book exceeding ₹ 2,000 crores, providing strong revenue visibility and a solid foundation for sustained growth in the years ahead.

20. During the financial year 2025-26, Udupi-CSL delivered exceptional financial performance, driven by the timely execution of shipbuilding contracts and successful vessel deliveries. Total income surged to ₹ 63,021.29 lakhs from ₹ 27,862.12 lakhs in the previous fiscal year, registering a remarkable year-on-year growth of 126.19%. Revenue from operations stood at ₹ 61,811.64 lakhs compared to ₹ 26,563.60 lakhs in the prior year, representing a growth of 132.69%. Profit before tax (PBT) witnessed an exponential increase to ₹ 13,167.79 lakhs against ₹ 858.74 lakhs in the previous year. Similarly, profit after tax (PAT) grew significantly to ₹ 9,338.76 lakhs, up from ₹ 262.78 lakhs recorded in FY 2024-25. The financial highlights for the reporting period are summarized below:

(₹ in Lakhs)

Sl. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(i)	Total Income	63,021.29	27,862.12
(ii)	Profit/ (Loss) Before Finance cost, Depreciation & Tax	14,793.72	2,130.68
(iii)	Finance cost	650.11	183.60
(iv)	Depreciation & Amortisation expenses	975.82	1,088.34
(v)	Profit/ (Loss) Before Tax	13,167.79	858.74
(vi)	Tax	3,829.03	595.96
(vii)	Net Profit/ (Loss)	9,338.76	262.78
(viii)	Net-worth	20,175.27	17,130.11

Proposed Dividend

21. In view of the Company’s ongoing growth and consolidation phase, capital expenditure and working capital requirements and the need to preserve internal resources to support its future growth, business operations and financial strength, the Board of Directors has decided not to recommend any dividend for the financial year under review.

Segment wise/ product wise performance

22. The Company is primarily engaged in shipbuilding. The segment wise performance of the Company is given below:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Assets		
Shipbuilding	39,633 49	30,263.01
Ship Repair	-	(7.46)
Unallocated	14,980 32	22,316 40
Total	**54,613.81**	**52,571.95**
Segment Liabilities		
Shipbuilding	9,762.79	10,459.77
Ship Repair	-	36.88
Unallocated	24,675.75	24,945.19
Total	**34,438.54**	**35,441.84**
Segment Revenue		
Shipbuilding	61,789.88	26,563.60
Ship Repair	-	-
Unallocated	1,231.41	1,298.52
Total	**63,021.29**	**27,862.12**
Segment Result		
Shipbuilding	18,120.38	2,493.68
Ship Repair	-	-
Unallocated	(4,952.59)	(1,634.94)
Total	**13,167.79**	**858.74**

SWOT

23. The Company possesses established shipbuilding infrastructure and integrated facilities capable of constructing a diverse range of small and medium-sized vessels, including harbour tugs, offshore support vessels, multipurpose support vessels and other specialised crafts for both domestic and international customers. Over the years, the Company has established a strong track record in executing complex shipbuilding projects, supported by a skilled and dedicated workforce and robust project management capabilities. The successful completion of prestigious export orders and the receipt of repeat orders from existing customers underscore the Company's proven execution capabilities, quality standards, and long-standing customer relationships.

24. As a wholly owned subsidiary of Cochin Shipyard Limited (CSL), one of India's premier shipbuilding and ship repair companies, the Company continues to leverage CSL's technical expertise, project execution experience, and institutional strengths, thereby enhancing its operational capabilities and competitiveness. The Company's adherence to internationally recognised management systems, including ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health and Safety Management System), together with its strong emphasis on quality and safe working environment, reinforces its reputation as a reliable shipbuilder for domestic and overseas clients.

25. The Company continues to face certain structural and operational constraints that may limit its growth potential. The limited land availability at its Malpe shipyard restricts opportunities for future capacity expansion and constrains its ability to undertake construction of larger vessel segments. In addition, certain infrastructure upgrades and modernisation initiatives would be required to support future business growth and evolving technological requirements.

26. The Company's operations continue to rely significantly on subcontract labour, making it susceptible to fluctuations in labour availability and costs. Further, the limited development of the domestic ancillary ecosystem for shipbuilding necessitates dependence on imported equipment and critical raw materials, resulting in longer procurement cycles and increased exposure to supply chain uncertainties.

27. The Government of India's continued policy focus on promoting the domestic shipbuilding industry, coupled with increasing emphasis on maritime infrastructure and green shipping initiatives, presents significant growth opportunities for the Company. Rising demand for

technologically advanced and environmentally sustainable vessels, including electric and hybrid tugs, harbour crafts, inland cargo vessels, specialised port vessels, and other niche marine assets, is expected to support future business prospects. The Company's demonstrated execution capabilities, healthy order book and continued support from its holding company, Cochin Shipyard Limited (CSL), position it well to capitalise on these emerging opportunities in both domestic and international markets.

28. The Company functions in a highly competitive industry characterised by rapid technological advancements, evolving customer requirements, increasing labour and input costs, and stringent regulatory and environmental compliance requirements. Competitive pricing pressures, volatility in steel and other raw material prices, fluctuations in foreign exchange rates and geopolitical disruptions affecting global supply chains continue to pose risks to project execution and profitability.

29. The Company also faces increasing competition for skilled maritime manpower, particularly from larger domestic shipyards, resulting in challenges in attracting and retaining experienced personnel. These factors, together with continuing uncertainties in global supply chains for imported equipment and electronic systems, could impact project schedules and cost competitiveness. The Company remains focused on mitigating these risks through continuous improvement in operational efficiency, technology adoption, prudent cost management, strategic sourcing and supply chain optimisation.

Risks and concerns

30. The Company operates in a cyclical shipbuilding industry that is influenced by global economic conditions, developments in the shipping and offshore sectors, international trade and geopolitical events. As an order-driven business, the Company's performance and growth are dependent on its ability to secure new orders, maintain a healthy order book and execute projects within committed timelines.

31. The Company's operations are dependent on the timely availability of key raw materials such as steel and essential components including engines, propellers, pumps and navigation systems. Disruptions in global supply chains, delays in procurement or fluctuations in foreign exchange rates may impact project execution, costs and profitability. The Company continues to mitigate these risks through prudent procurement practices and a robust Foreign Exchange Policy.

32. The Company is also exposed to operational risks arising from equipment failure, machinery breakdown, fire and other unforeseen incidents. The Company continues to strengthen its maintenance, safety and risk management practices to minimise operational disruptions. Although adequate insurance coverage is maintained for major operational risks, business interruption insurance is currently not in place. Accordingly, any significant operational disruption could adversely affect project execution, contractual delivery schedules and the Company's financial performance.

Internal Control

33. The Company has adopted robust policies and procedures to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures. The Company had engaged M/s. RAGA Consulting LLP, Chartered Accountants, for review and testing the internal financial controls of the Company. Their assessment confirmed that these controls were adequate, commensurate with the size and nature of the Company's business and were operating effectively. The Company continues to maintain and monitor these robust internal financial controls.

Human Resource Development and Industrial Relations

34. As on March 31, 2026, the Company has 189 employees consisting of 91 executives, 38 supervisors and 60 workmen. Out of the 91 executives, 6 are employed on deputation basis from the holding company, Cochin Shipyard Limited (CSL). The Company has also engaged 19 trainees under its apprenticeship programme. Further, the Company provides training to its work force in various fields as per the job requirements. During the reporting period the Company maintained cordial industrial relations.

Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

35. The Company believes in sustainable development and prioritises environment friendly and energy efficient business practices. Further, the Company endeavours to incorporate modern technology in its business processes and operations, wherever possible.

36. During the year under review the Company undertook the following key initiatives to conserve energy:

    - The existing lighting system at the repair outfit shed consisting of 32 Nos. of 400 W sodium vapour lights was replaced with 16 Nos. of energy-efficient LED light fittings.
    - All 32 Nos. of existing 400 W sodium vapour lamps at the Hangarkatte Yard (CS Bay) were replaced with LED light fittings.
    - Installed a new 1010 kVA Diesel Generator (DG) equipped with an electronic governor and an advanced fuel injection system, in place of the existing two 500 kVA DG sets.

37. These measures have collectively contributed to improved energy efficiency through reduction in electricity consumption, improved illumination, reduced maintenance requirements and better fuel efficiency and operational reliability during power interruptions.

38. The Company continued to strengthen its technological capabilities by adopting globally proven ship designs and advanced systems for its key products. The Bollard Pull Tugs are built using state-of-the-art designs from Robert Allan Limited, Canada, while the Dry Cargo Vessels are based on designs developed in collaboration with Conoship International BV, Netherlands. The Company's Green Tugs incorporate advanced battery systems supplied by Green Maritime Propulsion Private Limited (A JV Company formed between Cochin Shipyard Limited and HBL Engineering Limited) and integrated electrical packages from ABB, demonstrating the Company's focus on innovative, sustainable and technology-driven shipbuilding solutions. Further, the Company has accorded preference to indigenously manufactured products, wherever technically and commercially feasible, for the projects undertaken at the Yard, with a view to reducing dependence on imported stores, spares and equipment and promoting the use of domestic products.

39. During the reporting period, the Company has earned an income of ₹ 35,973.39 lakhs (PY - ₹ 17,138.70 lakhs) in foreign currency and incurred an amount of ₹ 22,500.87 lakhs (PY - ₹ 15,287.59 lakhs) towards expenses in foreign currency.

Corporate Social Responsibility (CSR)

40. During the year under review, the Company came under the ambit of CSR provisions for the first time since conclusion of the Corporate Insolvency Resolution Process (CIRP), with a CSR obligation of ₹ 10,000 for the financial year 2025-26. Considering the quantum of the CSR obligation and the established track record of its holding company, Cochin Shipyard Limited (CSL) in undertaking CSR activities, the Company contributed the amount to CSL towards the construction of an open auditorium for Gandhi Shatabdi Government Model Higher Primary School, Malpe implemented through Palli Srinivas Hegde Charitable Trust, Udupi, in compliance with the applicable provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

41. The Annual Report on CSR activities is placed at Annexure III to the Directors' Report.

Cautionary Statement

42. 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
Chairman
DIN: 08444440

Kochi
July 24, 2026

Financial Statements

Independent Auditors' Report

To
The members of **UDUPI COCHIN SHIPYARD LIMITED**
(Formerly TEBMA SHIPYARDS LIMITED)

OPINION

We have audited the accompanying financial statements of Udupi Cochin Shipyard Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2026, the Profit including Other Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters as described below to be the key audit matter to be communicated in our report.

Sl. No	Key Audit Matter	Auditor's response
1	Refer to Note 3.11(a) and Note 41 of the financial statements, regarding Revenue from contracts with customers. There are significant accounting judgements involved in estimating contract revenue to be recognised on contract with customers, including estimation of transaction price and financial assistance allocation to the completed performance obligations and determination of progress of completion as on the reporting date. The progress of completion is ascertained as per the in-house procedures developed by the management of the company. The procedure and the assumptions therein are based on certain judgements made by the management based on inputs from the technical departments of the company.	**Our key audit procedures included;** - We assessed the appropriateness of the Company's revenue recognition policies, by comparing with applicable accounting standards. - Understanding of the systems, processes and control implemented by management for recording and calculating revenue from contract with customers. - We tested the effectiveness of controls relating to the evaluation of performance obligations and identification of those that are distinct, estimation of costs to complete each of the performance obligations as the work progresses.

Sl. No	Key Audit Matter	Auditor's response
	Further, the ascertainment of the actual physical completion of each sub-activity on reporting date also involves management estimation. Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method, which is determined by survey of work performed, which involves technical expertise, significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price. Revenue is recognised when the company satisfies performance obligations by transferring promised goods and services to the customer over the period of time using output method based on measurement of physical progress of completion to date in respect of contracts with customers.	- Selected a sample of contracts with customers and performed following procedures • Obtained and reviewed contract documents for each selection and other documents that were part of the agreement. • (i) Identified significant terms and conditions in the contract to assess management's conclusions regarding the determination of transaction price (ii) identification of performance obligation; (iii) changes to costs to complete as work progresses; (iv) impact of change orders on the transaction price and (v) evaluation of the adjustment to the transaction price on account of variable consideration. • Compared costs incurred with company's estimates of costs incurred to date to identify significant variations and evaluated whether those variations have been considered appropriately in estimating remaining costs to complete the contract. • Tested the estimate for consistency with the status of delivery of milestones. • Performed analytical audit procedures for reasonableness of revenues disclosed by type and nature of contracts. • Substantial reliance was placed on the technical and activity based assessment made by the management in determination of percentage of physical progress completion. • Evaluated the appropriateness of the disclosures made by the company in accordance with Ind AS 115
2.	Refer to Note 3.13 to the Financial Statements regarding Taxes on Income and Note 8B & Note 9 to the Financial Statements regarding Deferred Tax Assets(net). Significant estimate and judgement involved in the recognition of deferred tax assets require a determination of future taxable income based on the Company's expectations. The assessment of realizability of deferred tax assets is based on a reasonable and supportable evidences and certainty test, depending on the composition of the deferred tax assets.	**Our key audit procedures included:** • Assessing the design, implementation and operating effectiveness of management's key internal financial controls over the recognition of deferred tax assets. • Obtaining details of different components of deferred tax assets and details of estimates of taxable incomes for future periods as approved by the Board of Directors. • Obtaining confirmation where the future forecasts were approved in the meetings of the Board of Directors. • Evaluating the management assessment relating to the amendment in Income Tax Act and its consequential impact on items that qualify for recognition of deferred tax assets • Evaluating the management assessment for estimating availability of future taxable profits for determination of recognition of deferred tax assets. • Assessing the period over which the deferred tax assets would be recovered against future taxable income. • Evaluating companies actual performance for the current year and discussed with the management their basis and assumptions in respect of evidence to support that there will be sufficient taxable income in the ensuing years to absorb the deferred tax asset.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Directors Report and Management Discussion and Analysis Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we are not expressing any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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 financial control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we have given in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. 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 Companies Act 2013, we are enclosing our report in "Annexure B".

3. 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 purpose of our audit.

   b) In our opinion proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e) In view of the exemption given vide notification no.G.S.R 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company.

   f) With respect to the adequacy of the internal financial controls over financial reporting 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 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 company, being a Government Company, vide 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 (as amended), 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 financial statements – Refer Note 45.B to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, 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 Company to or in any other person or entity, including foreign entity ("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 its knowledge and belief, as disclosed in the notes to the financial statements , no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

v. The company has not declared or paid or distributed any amount as Dividend during the year and therefore the question of further reporting on this aspect does not arise.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For M/s K P Kanchan & Co
Chartered Accountants
Firm Regn No.027635S

K. Padmanabha Kanchan
Proprietor
M No. 201382
UDIN: 26201382LFCRYI8500

Place: Brahmavar
Date: 24-04-2026

Annexure A' to the Independent Auditors' Report on Financial Statements

(Issued to Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Limited) for the year ending 31 March 2026)

(Referred to in paragraph 1 of our report of even date under the heading "Report on Other Legal and Regulatory Requirements")

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

I. a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanations given to us and the records examined by us the Property, Plant and Equipment of the Company have been physically verified by the management. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us and as evidenced by the records produced before us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deeds provided to us, we report that the title deeds, of all the immovable properties (other than properties where the company is lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements included in Property, Plant and Equipment and Capital work-in progress are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease & disclosed as Assets on Leased Premises under Property Plant & Equipment (Note 4(b) to Financial Statements), the lease agreements (as produced before us) are in the name of the Company, where the Company is the lessee in the agreement. However, the title deeds of freehold land continue to stand in the name of erstwhile Tebma Shipyards Limited and Tebma Engineering Private Limited.

d) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not revalued Property, Plant and Equipment (Including Right-of-use assets) or intangible assets or both during the year.

e) According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder .

II. a) According to the information and explanations given to us, inventories have been physically verified by the management during the year. In our opinion the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories. .

b) According to the information and explanation given to us and on the basis of our examination of the records of the company, we hereby report that the Company has been sanctioned with working capital limits in excess of ₹ Five Crores in aggregate from Banks, on the basis of security of Current Assets i.e. Inventory and Trade Receivables. The Company has filed the quarterly returns/statements of Current Asset i.e Inventory and Trade Receivables, with such lending Banks, which are in agreement with the books of accounts of the company.

III. As per the information and explanations given to us and on the basis of our examination of the records of the Company, during the year Company has not made any investment, or provided any guarantee or security or has not granted any loans or advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other entities during the year, hence reporting requirement of provisions of paragraph 3 (iii) (a) to (f) is not applicable.

IV. As per the information and explanations given to us, and on the basis of our examination of the records of the company, the Company has not advanced any loan, given any guarantee, made any investments or provided any security to any entity covered by the provisions of Section 185 and Section 186 of Companies Act, 2013. Accordingly, reporting under clause 3(iv) of the Order does not arise.

V. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable. .

VI. 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 Section 148(1) 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 these records with a view to determine whether they are accurate and complete.

VII. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Good and Service Tax, provident fund, employees' state insurance, income tax, sales tax service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, applicable to it, with the appropriate authorities. There were no outstanding undisputed statutory dues as on the date of Balance Sheet for a period of more than six months from the date they became payable.

b) According to the records of the company made available to us and as per the information and explanations given to us, details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31st March 2026 on account of disputes are given below :.

Sl. No	Name of the Statute	Nature of the statutory due	Amount of dispute (In Lakhs)	Period to which the amount related	Forum where dispute is pending
1	Foreign Trade (Development & Regulation) Act, 1992	Penalty, Amount of Customs duty on which exemption availed, Interest	98.63	2006-07	Honourable High Court of Madras
2	Foreign Trade (Development & Regulation) Act, 1992	Penalty, Amount of Customs duty on which exemption availed, Interest	114.17	2007-08	Honourable High Court of Madras
3	Foreign Trade (Development & Regulation) Act, 1992	Penalty, Amount of Customs duty on which exemption availed, Interest	235.52	2006-07	Honourable High Court of Madras
4	Foreign Trade (Development & Regulation) Act, 1992	Amount of Customs duty on which exemption availed, Interest	344.77	2006-07	Honourable High Court of Madras
5	Foreign Trade (Development & Regulation) Act, 1992	Amount of Customs duty on which exemption availed, Interest	56.28	2006-07	Honourable High Court of Madras
6	Foreign Trade (Development & Regulation) Act, 1992	Amount of Customs duty on which exemption availed, Interest	187.33	2006-07	Honourable High Court of Madras
7	Foreign Trade (Development & Regulation) Act, 1992	Amount of Customs duty on which exemption availed, Interest	11.02	2006-07	Honourable High Court of Madras
8	Foreign Trade (Development & Regulation) Act, 1992	Amount of Customs duty on which exemption availed, Interest	260.57	2006-07	Honourable High Court of Madras
9	Foreign Trade (Development & Regulation) Act, 1992	Amount of Customs duty on which exemption availed, Interest	389.19	2006-07	Honourable High Court of Madras

Sl. No	Name of the Statute	Nature of the statutory due	Amount of dispute (In Lakhs)	Period to which the amount related	Forum where dispute is pending
10	Kerala Tax on Entry of Goods into Local Areas act	Entry Tax	0.45	2006-07	Supreme Court
11	Karnataka Tax on Entry of Goods Act, 1979	Entry Tax	48.48	2012-23	Karnataka Appellate Tribunal
12	Karnataka Tax on Entry of Goods Act, 1979	Entry Tax	4.92	2010-11	Karnataka Appellate Tribunal
13	Karnataka Tax on Entry of Goods Act, 1979	Entry Tax	23.05	2009-10	Karnataka Appellate Tribunal
14	Central Excise Act	Central Excise	72.57	2008-09	CESTAT, Bangalore
15	Finance Act 1994	Service Tax	99.54	2008-09	CESTAT, Bangalore
16	Central Excise Act	Central Excise tax matters under dispute	454.00	2009-10	CESTAT, Bangalore
17	West Bengal VAT Act	VAT	72.72	2008-09	Commissioner of Commercial Tax West Bengal
18	Finance Act 1994	Service Tax	94.10	2008-09	CESTAT, Bangalore
19	Finance Act 1994	Service Tax	441.72	2008-09	CESTAT, Bangalore
20	Karnataka VAT	Karnataka VAT	11.91	Sep 2017- Dec 2017	Assistant Commissioner of Commercial taxes, LGSTO-280
21	Income Tax Act, 1961	Penalty u/s.270A	21.69	2017-18	Commissioner of Income Tax(Appeals)

Note:

1. Sl. No - 1 to 9 - Amount of Dispute includes interest computed from 01/04/2016 to 31/03/2026.

2. With respect to amounts mentioned in Sl.No. 10 to 19, details are not available with the company. All these cases mentioned in the above table, pertains 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 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.

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income tax Act, 1961 (43 of 1961) as income 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 during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a wilful defaulter by any bank or financial institution or government authority or any other lender.

c) The Company has not availed any terms loans during the year and there are no unutilised term loans at the beginning of the year. Accordingly reporting under clause ix (c) of the order is not applicable to the Company.

d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the

Company has not taken any funds from an entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, reporting under Paragraph 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies. Therefore, reporting under Paragraph 3(ix)(f) of the Order is not applicable.

X. a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly reporting under clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI. a) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) According to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the company. Therefore, reporting under paragraph 3(xi)(c) of the Order is not applicable to the Company.

XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with Sections 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

XIV. a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports, issued to the Company during the year and covering the period up to 31st March 2026 in determining the nature, timing and extent of our audit procedures.

XV. In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI. As evidenced from the records produced before us and as per information given to us, we are of the Opinion that

(a) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

(b) The Company has not carried on any business of Non-Banking Financial or Housing Finance Activities.

(c) The Company is not a Core Investment Company as defined under the regulations made by the Reserve Bank of India.

(d) There are no Core Investment Companies in the Group.

XVII. The Company has not incurred any cash losses in the financial year covered by our audit. The company has not incurred any cash loss during the immediately preceding financial year.

XVIII. During the year, the previous statutory auditor M/s Pai Nayak & Associates, resigned from the engagement. Based on the information and explanations given to us and as disclosed in the filings made by the outgoing auditor with the Registrar of Companies, there were no issues, objections or concerns raised by the outgoing auditor which required consideration in this report.

XIX. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence 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 the 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. According to the information and explanations given to us, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR). Accordingly, there is no unspent amount requiring transfer to a Fund specified in Schedule VII or to a special account in compliance with the provisions of sub-section (5) and sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable.

XXI. The paragraph 3(xxi) of the order is not applicable to the Company, since the financial statement covered under the report is not a consolidated financial statement.

For M/s K P Kanchan & Co
Chartered Accountants
Firm Regn No.027635S

K. Padmanabha Kanchan
Proprietor
M No. 201382
UDIN: 26201382LFCRYI8500

Place: Brahmavar
Date: 24-04-2026

'Annexure B' to Independent Auditors' Report on Financial Statements

(Issued to Udupi Cochin Shipyard Limited for the year ending 31 March 2026)

(Referred to in paragraph 2 of our report of even date under the heading "Report on Other Legal and Regulatory Requirements")

Report on directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013.

A. General Directions

(a) 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.

We have examined the records and disclosures relating to investments made directly by the Company or through trusts for post-retirement employee benefits. Based on the information and explanations provided by the Management and the records produced for our verification, the Company does not hold any material quoted or unquoted investments directly or through trusts towards post-retirement employee benefit obligations as at 31 March 2026.

Employee benefit obligations disclosed in the financial statements have been accounted for in accordance with the applicable provisions of Ind AS 19 – Employee Benefits. We have reviewed the underlying actuarial valuation reports, related accounting treatment and disclosures in the financial statements.

In view of the absence of material investment assets requiring fair valuation, reporting on valuation methodologies for quoted and unquoted investments is not applicable. No material misstatements or deviations were noticed in respect of accounting and disclosure of post-retirement employee benefit obligations.

(b) 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 by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year 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".

Based on the information and explanations provided to us and records examined by us, the Company has a system in place for processing accounting transactions through SAP ERP system and other integrated IT applications. Financial and accounting transactions are substantially processed through the IT system.

During the year, the Company carried out an Information Security Gap Assessment and review of IT controls and cyber security covering various aspects relating to IT governance, information security framework, access controls, password management, supplier management, incident management, business continuity, backup procedures and cyber security controls.

The review report identified certain gaps and areas for improvement in the information security framework, inter alia, absence of formal information security policies, need for strengthening segregation of duties, access control documentation, incident management procedures, backup mechanisms and independent information security review processes. Recommendations were provided for strengthening the overall information security environment in line with ISO 27001 requirements.

Based on the audit procedures performed and records examined by us, no material discrepancies having material impact on the financial reporting process were noticed which would affect the integrity of the accounts. Further, no material instances involving processing of accounting transactions outside the IT system having material financial implications on the financial statements were observed during the course of our audit.

(c) Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

In our opinion, based on our examination of books of accounts of the company and as per the information and explanations given to us, the funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per their terms and conditions.

(d) 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?

Based on the information and explanations provided to us and records examined by us, the Company has identified various operational, financial, compliance and information security related risk areas through its internal control framework, management review processes and Information Security Gap Assessment. The Company has established control mechanisms and standard operating procedures for key financial reporting areas including related party transactions, provisioning, taxation, employee benefits, GST, contingent liabilities and financial statement disclosures.

The Company has also implemented management systems under ISO 9001, ISO 14001 and ISO 45001 frameworks and has undertaken review of information security controls with recommendations for strengthening the framework in line with ISO 27001 requirements and global practices.

Further, the Company has identified information and IT related assets as part of its information security assessment process. However, no separate valuation of data assets was made available to us for verification.

(e) Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation 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 provided to us and records examined by us, the Company has generally been complying with the applicable provisions of the Companies Act, 2013, relevant directions/guidelines issued by the Department of Public Enterprises (DPE), Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI), CERT-In and Ministry of Electronics and Information Technology, wherever applicable to the Company.

Since Udupi Cochin Shipyard Limited is an unlisted Government company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. Further, provisions relating to Telecom Regulatory Authority of India (TRAI) and National Payments Corporation of India (NPCI) are not applicable to the Company based on the nature of its operations.

During the course of our audit, no material instances of non-compliance with the aforesaid applicable laws, rules, regulations and guidelines were noticed.

B. Sub Directions

No Sub Directions were issued for the period under audit.

For M/s K P Kanchan & Co
Chartered Accountants
Firm Regn No.027635S

K. Padmanabha Kanchan
Proprietor
M No. 201382
UDIN: 26201382LFCRYI8500

Place: Brahmavar
Date: 24-04-2026

'Annexure C' to Independent Auditors' Report on Financial Statements

(Issued to Udupi Cochin Shipyard Limited for the year ending 31 March 2026)

(Referred to in paragraph 3(f) of our report of even date under the heading "Report on Other Legal and Regulatory Requirements")

Report on the Internal Financial Controls Over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Udupi Cochin Shipyard Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control over financial reporting 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("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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 (3) 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Financial Statements 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.

For M/s K P Kanchan & Co
Chartered Accountants
Firm Regn No.027635S

K. Padmanabha Kanchan
Proprietor
M No. 201382
UDIN: 26201382LFCRYI8500

Place: Brahmavar
Date: 24-04-2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF UDUPI COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of Udupi 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 24 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Udupi Cochin Shipyard Limited for the year ended 31 March 2026 under section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(S. Velliangiri)
Principal Director of Audit, Shipping

Place: Chennai
Date: 09 June 2026

Balance Sheet

as at March 31, 2026

(₹ in lakhs)

Particulars	Note No.	As at Mar 31, 2026	As at Mar 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment (other than (b) below)	4	9208.46	8948.84
(b) Right of Use assets (ROU)		675.10	703.26
(c) Capital work-in-progress	5	383.11	537.54
(d) Intangible assets	6	73.49	144.34
(e) Financial assets			
Other Financial Assets	7	41.06	38.09
(f) Income tax assets (net)	8	80.51	104.61
(g) Deferred tax assets (net)	9	1965.99	3668.86
(h) Other non-current assets	10	151.50	105.48
Total Non-Current assets		**12579.22**	**14251.02**
Current assets			
(a) Inventories	11	10456.28	11654.43
(b) Financial Assets			
(i) Trade receivables	12	1253.89	78.43
(ii) Cash and cash equivalents	13	2129.67	16.37
(iii) Bank balances other than (ii) above	14	3031.00	1755.99
(iv) Other Financial assets	15	3176.40	4614.37
(c) Other current assets	16	21987.35	20201.35
Total Current assets		**42034.59**	**38320.94**
Total Assets		**54613.81**	**52571.96**
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	17	10800.00	10800.00
(b) Other equity	18	9375.27	6330.11
Total Equity		**20175.27**	**17130.11**
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1500.00	1000.00
(ii) Lease Liabilities	20	535.43	594.37
(iii) Other financial liabilities	21	-	19.98
(b) Other non current liabilities	22	-	2.36
(c) Provisions	23	121.32	79.45
Total Non-Current Liabilities		**2156.75**	**1696.16**
Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	24	3985.62	4844.04
(ii) Lease Liabilities	25	114.82	53.88
(iii) Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises	26	143.73	350.53
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		4816.85	4651.89
(iv) Other financial liabilities	27	5887.43	2645.79
(b) Other current liabilities	28	16392.66	20471.61
(c) Provisions	29	940.68	727.95
Total Current Liabilities		**32281.79**	33745.69
Total Equity and Liabilities		**54613.81**	**52571.96**
Corporate overview and Material Accounting Policies etc	1-3		
Notes to the Financial Statements	4-56		

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M
Company Secretary
M.No. A41969

SHANKAR NATARAJ
Chief Financial Officer

HARIKUMAR A
Chief Executive Officer

JOSE V J
Chairman
DIN-08444440

Dr HARIKRISHNAN S
Director
DIN-10221559

For KP KANCHAN & CO
Chartered Accountants
FRN - 027635S

C.A. K Padmanabha Kanchan
Proprietor
M.No 201382
UDIN: 26201382LFCRYI8500
Place :Udupi
Dated: 24-04-2026

Statement of Profit and Loss

for the Year ended March 31, 2026

(₹ in lakhs)

Sl No	Particulars	Note No.	Year Ended 31-Mar-26	Year Ended 31-Mar-25
I	**Income**			
	Revenue from operations	30	61811.64	26563.60
	Other income	31	1209.65	1298.52
	Total Income		**63021.29**	**27862.12**
II	**Expenses**			
	Cost of materials consumed	32	29307.30	14797.73
	Changes in Inventories of Work-in-Progress	33	645.23	(456.59)
	Sub contract and other direct expenses	34	10530.90	7033.94
	Employee benefits expenses	35	1849.31	1444.97
	Finance costs	36	650.11	183.60
	Depreciation and amortisation expenses	37	975.82	1088.34
	Other expenses	38	5894.83	2911.39
	Total expenses		**49853.50**	**27003.38**
III	**Profit /(Loss) before exceptional items and tax (I-II)**		**13167.79**	**858.74**
IV	**Exceptional Items**		**-**	**-**
V	**Profit / (Loss) beforeTax (III+IV)**		**13167.79**	**858.74**
VI	**Tax expense**			
	(1) Current tax	8	-	-
	(2) Deferred tax	9	3829.03	595.96
VII	**Profit / (Loss) for the year (V-VI)**		**9338.76**	**262.78**
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		(8417.99)	831.61
	ii) Income tax relating to items that will be reclassified to profit or loss		2118.64	(209.30)
	B) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(29.85)	(50.13)
	ii) Income tax relating to items that will not be reclassified to profit or loss		7.51	12.62
	Other comprehensive income for the year		**(6321.69)**	**584.80**
IX	**Total Comprehensive Income for the year**		**3017.07**	**847.58**
X	**Paid up equity share capital (Face value - ₹ 10 each)**		**10800.00**	**10800.00**
XI	**Earnings per equity share of ₹ 10 each (Fully Paid up)**	40		
	(1) Basic (₹)		8.65	0.24
	(2) Diluted (₹)		8.65	0.24
	Corporate overview and Material Accounting Policies	1-3		
	Notes to the Financial Statements	4-56		

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M
Company Secretary
M.No. A41969

SHANKAR NATARAJ
Chief Financial Officer

HARIKUMAR A
Chief Executive Officer

JOSE V J
Chairman
DIN-08444440

Dr HARIKRISHNAN S
Director
DIN-10221559

For KP KANCHAN & CO
Chartered Accountants
FRN - 027635S

C.A. K Padmanabha Kanchan
Proprietor
M.No 201382
UDIN: 26201382LFCRYI8500
Place :Udupi
Dated: 24-04-2026

Statement of Changes in Equity

For The Year Ended 31 Mar, 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 Mar 31, 2026
10,800.00	-	-	-	10,800.00

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
10,800.00	-	-	-	10,800.00

B. Other Equity

(₹ in lakhs)

	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Debenture Redemption Reserve	Effective portion of Cash Flow Hedges	
Balance as at April 01, 2025	**7361.70**	**(2078.42)**	**100.00**	**946.83**	**6330.11**
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Addition of Land property	28.09	-	-	-	28.09
Profit for the year	-	9338.76	-	-	9338.76
Other comprehensive income for the year (net of tax)	-	(22.34)	-	(6299.35)	(6321.69)
Total comprehensive income for the year	**7389.79**	**7238.00**	**100.00**	**(5352.52)**	**9375.27**
Dividends	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-
Balance as at Mar 31,2026	**7389.79**	**7238.00**	**100.00**	**(5352.52)**	**9375.27**

Statement of Changes in Equity

For The Year Ended 31 Mar, 2026

B. Other Equity (Contd..)

(₹ in lakhs)

	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Debenture Redemption Reserve	Effective portion of Cash Flow Hedges	
Balance as at April 01, 2024	7361.70	(2303.69)	100.00	324.52	5482.53
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Profit for the year	-	262.78	-	622.31	885.09
Other comprehensive income for the year	-	(37.51)	-	-	(37.51)
Total comprehensive income for the year	**7361.70**	**(2078.42)**	**100.00**	**946.83**	**6330.11**
Dividends	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-
Balance as at Mar 31,2025	**7361.70**	**(2078.42)**	**100.00**	**946.83**	**6330.11**

Debenture Redemption Reserve: The Company has created Debenture Redemption Reserve at 10% of the value of debenture issued by the company in accordance with Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 maturing in November, 2028.

Corporate overview and Material Accounting Policies 1-3

Notes to the Financial Statements 4-56

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M
Company Secretary
M.No. A41969

SHANKAR NATARAJ
Chief Financial Officer

HARIKUMAR A
Chief Executive Officer

JOSE V J
Chairman
DIN-08444440

Dr HARIKRISHNAN S
Director
DIN-10221559

For KP KANCHAN & CO
Chartered Accountants
FRN - 027635S

C.A. K Padmanabha Kanchan
Proprietor
M.No 201382
UDIN: 26201382LFCRYI8500
Place :Udupi
Dated: 24-04-2026

Statement of Cash Flows

for the Year ended March 31, 2026

(₹ in lakhs)

Particulars	For Year Ended March 31, 2026	For Year Ended March 31, 2025
A. Cash flow from operating activities		
Profit (Loss) before tax	13167.79	858.74
Adjustments for :		
Depreciation and amortisation expense	975.82	1088.34
Finance cost	650.11	183.60
Interest income from Bank Deposits	(91.98)	(211.89)
Loss/(gain) on derivative contracts (net)	1128.99	(282.16)
Unrealised loss/(gain) on derivative contracts (net)	(1703.61)	-
Net (gain) /loss on foreign currency transactions	811.81	(52.85)
Operating cash flow before working capital changes	**14938.93**	**1583.78**
Movements in working capital :		
(Increase) / decrease in inventories	1198.15	(5747.41)
(Increase) / decrease in trade, other receivables and assets	(2946.64)	(15238.34)
Increase / (decrease) in trade and other payables	(6137.43)	15103.98
	7053.01	**(4297.99)**
Income tax (paid)/refund (net)	24.10	(31.05)
Net cash flows from operating activities (A)	**7077.11**	**(4329.04)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and Intangible Assets	(1108.30)	(1346.88)
(Increase) / decrease in capital work In progress	154.43	258.21
Sale proceeds from Property, Plant and Equipment	-	-
(Increase) / Decrease in Term Deposit	(1275.01)	(1055.05)
Interest received on Bank deposits	91.98	211.89
Rent received	-	-
Net cash flows from investing activities (B)	**(2136.90)**	**(1931.83)**
C. Cash flow from financing activities		
Net gain /(loss) on foreign currency transactions	(811.81)	52.85
Net gain /(loss) on Derivative Contracts	(1128.99)	282.16
Payment of Working capital Loan	(858.42)	4344.04
Receipt of working capital Loan	500.00	-
Proceeds from Issued of Equity Shares on Right Basis	-	-
Repayment of lease liability with Finance Cost (viz. Rent Paid)	-	(57.82)
Finance cost	(527.69)	(121.21)
Net cash flows from financing activities (C)	**(2826.91)**	**4500.02**

Statement of Cash Flows

for the Year ended March 31, 2026

(₹ in lakhs)

Particulars	For Year Ended March 31, 2026	For Year Ended March 31, 2025
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**2113.30**	**(1760.85)**
Cash and cash equivalent at the beginning of the Year	**16.37**	**1777.21**
Cash and cash equivalent at the end of the Year	**2129.67**	**16.37**
Components of cash and cash equivalents (refer note 13)		
Cash on hand	-	-
Balances with banks	2129.67	16.37
Total cash and cash equivalents	**2129.67**	**16.37**

I. Cash Flow Statement is prepared under indirect method as prescribed under Ind AS 7.

II. Cash And Cash Equivalents do not include Bank Deposits with Maturity period beyond 3 Months, Earmarked Deposits, Deposits Kept as Margin Money.

iii. Refer Note 51A for futher disclosures in relation to Cash Flow Statement i.e Cash Flow from Financing Activities

Corporate overview and Material Accounting Policies 1-3

Notes to the Financial Statements 4-56

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

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Place :Udupi
Dated: 24-04-2026

Notes to the Financial Statements

for the year ended March 31, 2026

1. CORPORATE OVERVIEW AND MATERIAL ACCOUNTING POLICIES

1.1. Corporate information

Udupi Cochin Shipyard Limited (UCSL), a company engaged in manufacturing and repair of commercial ships for domestic and international clients, was founded on July 09, 1984. UCSL was incorporated as 'Tebma Engineering Private Limited', became public as 'Tebma Engineering Limited' and subsequently the name was changed to 'Tebma Shipyards Limited'. In September 2020, the Company was taken over by Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping & Waterways, Government of India, through the statutory insolvency resolution process. Consequently, on April 22, 2022, the name of the Company was changed to 'Udupi Cochin Shipyard Limited'.

The Registered Office of the Company is situated at S.No.377, Pazhamathur Village, Pukathurai Post, Madurantakam Taluk, Kancheepuram – 603 116. UCSL has two yards; One in Malpe – Karnataka and the other one in Chengalpet – Tamil Nadu. It has a major fabrication unit in Hangarkatta (about 20 km from the Malpe yard). The Company has been known for its quality standards and commitment levels in the shipbuilding industry.

The financial statements for the year ended March 31, 2026 were approved by the Board of Directors and authorised for issue on 24th April, 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 Ind AS 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 & 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, Property Plant and Equipments / Right of Use Assets 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;

Notes to the Financial Statements

for the year ended March 31, 2026

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.

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 delivery of the vessel.

(ii) In the case of other business activities, normal operating cycle is 12 months.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, 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 judgements:

The application of Material Accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the financial statements have been disclosed below:

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 judgements are involved in determining the elements of deferred tax items.

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 judgements 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 specialised 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.

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 in the provision made earlier, additional provisions are made.

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.

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

Notes to the Financial Statements
for the year ended March 31, 2026

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.

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.

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.

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.

2.6 Changes in Accounting Policies

There are no changes in Accounting Policies during the Year ending 31 st March 2026

3 Material Accounting Policies

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.

(Refer "Note No. 2.6-Changes in Accounting Policies")

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 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

Notes to the Financial Statements
for the year ended March 31, 2026

impairment losses. For the items of Property, Plant and Equipment existing as on April 1, 2019 i.e company's date of transition to Ind AS, 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 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 and intangible assets under development:

Capital work in progress and intangible assets under development 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 are not directly chargeable on a product are capitalized as Intangible Asset and amortised 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 capitalised as intangible asset and amortised 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 amortised on a straight-line basis over a period of three years.

For the intangible assets existing as on April 1, 2019 i.e company'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.

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

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.

Notes to the Financial Statements

for the year ended March 31, 2026

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.

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:

* 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.

*Management believes that useful life of assets are same as those prescribed in Part C of Schedule II to the Act, except for certain types of buildings and equipments wherein 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 Inventories

(a) Raw materials, components,stores and spares are valued at weighted average cost method. When they are intended to project use, valuation is done at project specific weighted average cost method. Goods in transit are valued at cost.

(b) Work In Progress (WIP) and Finished goods, have been valued at lower of cost and net realisable value.

Notes to the Financial Statements

for the year ended March 31, 2026

Cost of Inventories comprises of all costs of purchase, cost of conversion , a proportion of manufacturing overheads based on the normal operating capacity and other costs incurred in bringing them to their respective present location and condition. Cost of steel plates, profiles, equipments and other raw materials and stores and spares at Weighted Average Method. Cost of Work-inProgress and Finished Goods is determined on Absorption Costing Method."

3.7 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 recognised when the Company becomes a party to the contractual provisions of the instruments.

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 amortised cost;
- Financial assets at Fair Value through other comprehensive income (FVTOCI);
- Financial assets at Fair Value through statement of profit and loss (FVTPL);"

Financial assets at amortised cost

Financial assets are subsequently measured at amortised 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.

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.

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 amortised 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 recognised in 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 "

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

Notes to the Financial Statements

for the year ended March 31, 2026

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.

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.

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 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.

Financial Liabilities at amortised cost

Financial Liabilities that are not held-for-tradingand are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised 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 amortisation process.

Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Instruments

A financial asset is de-recognised 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-recognised 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 recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

for the year ended March 31, 2026

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. 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 recognised 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 potion 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."

3.7A Impairment of Assets other than Financial assets

The Company assesses the impairment of assets other than financial assets such as Property, Plant & equipments, Intangible Assets and Inventories etc. at each Balance Sheet date. If events or changes in circumstances based on internal and external factors indicate that the carrying value may not be recoverable in full, the loss on account and the recoverable / realisable amount, is accounted for accordingly. The recoverable / realisable amount is the higher of an asset's fair value less costs of disposal and value in use.

3.8 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. Contract assets are reviewed for impairment in accordance with Ind AS 109.

3.9 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.

3.10 Provisions , Contingent Liabilities and Contingent assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be

Notes to the Financial Statements

for the year ended March 31, 2026

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.

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 our financial position or profitability.The Company does not recognise 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.

3.11 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 company 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 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 and it has an enforceable right to payment for performance completed to date;

In the case of ship repair contracts involving continuous 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

Notes to the Financial Statements

for the year ended March 31, 2026

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 point of 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 respective sale of stock items and scrap is recognized at the point of 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.

b) Government Grants

Government grants are recognised 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 recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

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

Notes to the Financial Statements

for the year ended March 31, 2026

are recognised in statement of profit & loss in the period in which they become receivable.Ship Building Financial Assistance(SBFA) is recognised over a period of time in proportion to the expenses / cost incurred and classified under ""other operating revenue"".

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

(a) 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 statments in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

(b) 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 financial statments on settlement of the claims by way of receipt of the amount from 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 which are short term in nature and contribution towards compensated absences, which is long term in nature.

Post-employment benefit plans

Defined benefit plans -

Gratuity :

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability or asset recognised 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.

Notes to the Financial Statements
for the year ended March 31, 2026

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

Provident fund: Contributions to provident fund (a defined contribution plan) are made to the Regional Provident Fund Commissioner and are charged to the profit and loss account. The Company has no further obligations for future provident fund benefits other than its monthly contributions.

Gratuity Fund: Company makes contribution to Group Gratuity Cash Accumulation plan maintained with Life Insurance Corporation of India (LIC). National Pension Scheme : Company makes contribution to National Pension Scheme maintained with SBI Fund

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

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 recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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.

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.

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 income tax arises from the initial recognition of an asset

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.

Notes to the Financial Statements

for the year ended March 31, 2026

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) Repair of Ships/ offshore structures.

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 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 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: Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period,monetary assets and lialbilities denominated in foreign currencies are translated using exchange rates in effect at the reporting date.Exchange diffrences arising on settlement or translation of monetary items are recognised in statement of profit & loss ."

3.18: 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. For the year ended 31 st March 2026,MCA has not notified any new Standards or amendments to the existing Standards applicable to the Company.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 4 : Property, Plant and Equipment

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2025	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2026	As at 1st April 2025	For the year ended 31st Mar 2026	Adjustment/ (withdrawal)	As at 31st Mar 2026	As at 31st Mar 2026	As at 31st March 2025
a) Owned Assets										
Land (Freehold)	2,680.32	28.09	-	2,708.41	-	-	-	-	2,708.41	2,680.32
Buildings	2,493.03	111.10	-	2,604.13	602.53	92.65	-	695.18	1,908.95	1,890.50
Plant and equipment	5,923.97	575.48	-	6,499.45	3,257.65	585.98	-	3,843.63	2,655.82	2,666.32
Furniture and fixtures	51.77	21.99	-	73.76	14.14	5.39	-	19.54	54.22	37.63
Vehicles	19.51	-	-	19.51	7.19	2.24	-	9.43	10.08	12.32
Office equipment	75.68	29.54	-	105.22	28.88	18.93	-	47.80	57.42	46.80
Data Processing Equipments	159.18	17.10	-	176.28	75.92	35.66	-	111.57	64.71	83.26
Electrical installation / Fitting	321.44	-	-	321.44	34.08	30.50	-	64.57	256.87	287.36
Sub Total	**11,724.90**	**783.30**	**-**	**12,508.20**	**4,020.39**	**771.35**	**-**	**4,791.72**	**7,716.48**	**7,704.51**
b) Assets on leased premises										
Buildings	2,482.26	352.32	-	2,834.58	1,476.79	90.49	-	1,567.26	1,267.32	1,005.48
Slipway	1,117.99	-	-	1,117.99	879.14	14.20	-	893.33	224.66	238.85
Sub Total	**3,600.25**	**352.32**	**-**	**3,952.57**	**2,355.93**	**104.69**	**-**	**2,460.59**	**1,491.98**	**1,244.33**
Total (a)+(b)	**15,325.15**	**1,135.62**	**-**	**16,460.77**	**6,376.32**	**876.04**	**-**	**7,252.31**	**9,208.46**	**8,948.84**
c) Right Of Use Assets										
Right of Use - Land	767.15	-	-	767.15	63.89	28.16	-	92.05	675.10	703.26
Sub Total	**767.15**	**-**	**-**	**767.15**	**63.89**	**28.16**	**-**	**92.05**	**675.10**	**703.26**
Total(a+b+c)	**16,092.30**	**1,135.62**	**-**	**17,227.92**	**6,440.21**	**904.20**	**-**	**7,344.36**	**9,883.56**	**9,652.10**

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2025	As at 1st April 2024	For the year ended 31st Mar 2025	Adjustment/ (withdrawal)	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
a) Owned Assets										
Land (Freehold)	2,680.32	-	-	2,680.32	-	-	-	-	2,680.32	2,680.32
Buildings	2,259.46	233.57	-	2,493.03	488.61	113.92	-	602.53	1,890.50	1,770.85
Plant and equipment	5,257.76	666.21	-	5,923.97	2,498.16	759.49	-	3,257.65	2,666.32	2,759.60
Furniture and fixtures	37.54	14.23	-	51.77	10.98	3.16	-	14.14	37.63	26.56
Vehicles	7.33	12.18	-	19.51	4.81	2.38	-	7.19	12.32	2.52
Office equipment	48.93	26.75	-	75.68	17.39	11.49	-	28.88	46.80	31.54

Notes to the Financial Statements

for the year ended March 31, 2026

Note 4 : Property, Plant and Equipment (Contd..)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2025	As at 1st April 2024	For the year ended 31st Mar 2025	Adjustment/ (withdrawal)	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Data Processing Equipments	114.05	45.13	-	159.18	44.61	31.31	-	75.92	83.26	69.44
Electrical installation / Fitting	132.97	188.47	-	321.44	16.52	17.56	-	34.08	287.36	116.45
Sub Total	**10,538.36**	**1,186.54**	**-**	**11,724.90**	**3,081.08**	**939.31**	**-**	**4,020.39**	**7,704.51**	**7,457.28**
b) Assets on leased premises										
Buildings	2,458.21	24.05	-	2,482.26	1,429.23	47.56	-	1,476.79	1,005.48	1,028.98
Slipway	1,117.99	-	-	1,117.99	864.94	14.20	-	879.14	238.85	253.05
Sub Total	**3,576.20**	**24.05**	**-**	**3,600.25**	**2,294.17**	**61.76**	**-**	**2,355.93**	**1,244.33**	**1,282.03**
Total (a)+(b)	**14,114.56**	**1,210.59**	**-**	**15,325.15**	**5,375.25**	**1,001.07**	**-**	**6,376.32**	**8,948.84**	**8,739.31**
c) Right Of Use Assets										
Right of Use - Land	767.15	-	-	767.15	35.73	28.16	-	63.89	703.26	731.42
Sub Total	**767.15**	**-**	**-**	**767.15**	**35.73**	**28.16**	**-**	**63.89**	**703.26**	**731.42**
Total(a+b+c)	**14,881.71**	**1,210.59**	**-**	**16,092.30**	**5,410.98**	**1,029.23**	**-**	**6,440.21**	**9,652.10**	**9,470.73**

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.

Team 2 (12T BollardPull Tug) given on operating lease during the previous financial year has been included in "Plant & Equipments

The value of Land at Kulpi (Kolkata- 230 cents) have been recognized in accounts at ₹ 28.09 lakhs.

Some parcel of lands Land belonging to the company continue to be in the name of erstwhile "Tebma Shipyards Ltd" and/or "Tebma Engineering Pvt Ltd" in the land records. Company has already initiated action to change the title deed in the name of "Udupi Cochin Shipyard Limited

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.

No charge has been created on Property,Plant & Equipments

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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 5 : Capital work -in -progress

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Plant and machinery, Buildings and Civil works	374.11	201.52
Capital yard items	9.00	336.02
Total	**383.11**	**537.54**

CWIP Ageing schedule as on 31.03.2026

(₹ 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	382.62	-	0.49	-	383.11
Projects temporarily suspended	-	-	-	-	-

None of the projects under work in progress are overdue in respect of budgeted time and cost and hence overdue CWIP schedule not applicable

CWIP Ageing schedule as on 31.03.2025

(₹ 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	537.05	0.49	-	-	537.54
Projects temporarily suspended	-	-	-	-	-

Note 6 : Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2025	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2026	As at 1st April 2025	For the year ended 31st Mar 2026	Adjustment/ (withdrawal)	As at 31st Mar 2026	As at 31st Mar 2026	As at 31st March 2025
Computer software	222.35	0.77	-	223.12	78.01	71.62	-	149.63	73.49	144.34
Total	**222.35**	**0.77**	**-**	**223.12**	**78.01**	**71.62**	**-**	**149.63**	**73.49**	**144.34**

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2024	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2025	As at 1st April 2024	For the year ended 31st Mar 2025	Adjustment/ (withdrawal)	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Computer software	86.06	136.29	-	222.35	18.90	59.11	-	78.01	144.34	67.16
Total	**86.06**	**136.29**	**-**	**222.35**	**18.90**	**59.11**	**-**	**78.01**	**144.34**	**67.16**

Refer vide note No.3.3 of Material Accounting Policies, Key Accounting Estimates and Judgements for Measurement, amortisation Method etc of intangible assets.

No Borrowing Cost was incurred towards any qualifying Asset.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 7: Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Unsecured; Considered good:		
Security deposits	41.06	38.09
Total	**41.06**	**38.09**

No amounts due from directors or KMPs of the company either severally or jointly with any other person. Further, no amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.

Security deposits includes rent deposits paid towards lease land at amortised cost under Ind AS 109 read with Ind As 116

Note 8: Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Non Current tax assets		
Income tax refundable net of provisions if any	80.50	104.61

The company 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 on the bank guarantee issued.

(A) Major components of tax expense/(income):

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
a) Profit or Loss Section:		
i. Current tax:		
Current income tax charge	-	-
Adjustment in respect of prior years	-	-
Total (i)	**-**	**-**
ii. Deferred tax:		
In respect of current year	3,829.03	595.96
Total (ii)	**3,829.03**	**595.96**
Income tax expense recognised in the Statement of Profit and Loss (i+ii)	**3,829.03**	**595.96**
b) Other Comprehensive Income (OCI) Section:		
(i) Items not to be reclassified to profit or loss in subsequent periods		
Deferred Tax expense/(income)	-	-
On remeasurement of defined benefit plans	7.51	12.62
Total (i)	**7.51**	**12.62**
(ii) Items to be reclassified to profit or loss in subsequent periods		
Effective portion of gains/ (losses) on cash flow hedging instruments	2,118.64	(209.30)
Total (ii)	**2,118.64**	**(209.30)**
Income tax expense recognised in the Statement of Other Comprehensive Income (i+ii)	**2,126.15**	**(196.68)**
c) Retained Earnings(Other Equity):		
i. Current Income Tax	-	-
ii. Deferred tax:	-	-
Income Tax Expense reported in Retained Earnings (Other Equity)	**-**	**-**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 8: Income tax assets / liability (net) (Contd..)

B) The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Profit before tax	13,167.79	858.74
Corporate tax rate as per Income Tax Act 1961	25.17%	25.17%
Income tax expense calculated at respective applicable rates	3,314.07	216.13
Effect of expenses that are not deductible in determining taxable profit	711.94	495.12
Effect of expenses that are allowable in determining taxable profit	(365.96)	(415.12)
Adjustments with respect to unabsorbed business loss / Depreciation	(3,660.08)	(296.13)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	0.03	-
Effect of income that is exempt from taxation	-	-
Tax related to earlier year	-	-
	(0.00)	**(0.00)**
Current Tax expense recognised during the year	-	-
Adjustments for changes in estimates of deferred tax assets	3,829.03	595.96
Income tax expense recognised in the Statement of Profit and Loss	**3,829.03**	**595.96**
Effective Income tax rate	**29.08%**	**69.40%**

(C) Advance Income Tax and TDS

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
At the beginning of the year	104.61	73.56
Charge for the year	-	-
Charge for the previous year arrears adjusted	-	-
Income tax Paid /(Refund)	(24.10)	31.05
At the end of the year	**80.51**	**104.61**

Note 9: Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Deferred tax liabilities	(1,012.38)	703.79
Deferred tax assets	(953.58)	(4,372.65)
Total	**(1,965.96)**	**(3,668.86)**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 9: Deferred tax assets (net) (Contd..)

Deferred tax liabilities/(assets) in relation to 2025-26

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(385.29)	(240.50)	-	(625.79)
Property, plant and equipment & Intangible Assets	208.35	(19.21)	-	189.14
Carry forward losses	(3,824.21)	3,660.07	-	(164.14)
Intangible assets	-	-	-	-
Others -				
Right Of Use (ROU)	(163.15)	(0.50)	-	(163.65)
Lease Liability	177.00	(7.09)	-	169.91
Cashflow Hedge - Adjustment	318.44	(1,689.87)	-	(1,371.43)
Total	**(3,668.86)**	**1,702.90**	**-**	**(1,965.96)**

Deferred tax liabilities/(assets) in relation to 2024-25

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(352.41)	(32.88)	-	(385.29)
Property, plant and equipment & Intangible Assets	145.81	62.54	-	208.35
Carry forward losses	(4,373.81)	549.60	-	(3,824.21)
Intangible assets	-	-	-	-
Others-				
Right Of Use (ROU)	(162.43)	(0.72)	-	(163.15)
Lease Liability	172.19	4.82	-	177.00
Cashflow Hedge - Adjustment	109.14	209.30	-	318.44
Total	**(4,461.51)**	**792.65**	**-**	**(3,668.86)**

As at March 31, 2026, the company has assessed recognition of deferred tax assets by assessing availability of sufficient future taxable profits, based on financial projections & order book position ,which have been approved by the Management, to absorb the deferred tax asset.

Note 10: Other non-current assets

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Unsecured, considered good		
Capital advances	-	-
Advances other than capital advances:		
Security deposits	-	-
Deposits with Customs department	-	-
Loose tools	151.50	105.48
Total	**151.50**	**105.48**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 11 : Inventories

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Raw Materials and components	9,848.89	10,620.14
Work in Progress	240.00	885.23
Goods-in transit	102.96	-
Total (A)	**10,191.85**	**11,505.37**
Stores & Spares	264.43	149.06
Total (B)	**264.43**	**149.06**
Total (A+ B)	**10,456.28**	**11,654.43**

Refer Material accounting Policy 3.6 for inventory valuation

Entire stock of inventories are hypothecated towards availing cash credit facility from the banks.

Note 12 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Unsecured		
Considered good:		
Trade Receivables considered good - Unsecured	1,253.89	78.43
Total	**1,253.89**	**78.43**

Trade receivables are non-interest bearing and receivable in normal operating cycle. Since the majority of the Trade receivables are due for less than one year, no expected credit loss allowance is made under Ind AS 109.

Full provision is made for all trade receivables if any considered doubtful of recovery when the debt is more than three years or if it is probable / certain that the debt is not recoverable. Where debts are disputed in legal proceedings, provision is made if any decision is given against the company even if the same is taken up on appeal to higher authorities/courts.

Trade receivables do not include any amount due from directors or other officers of the company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

There are unbilled trade receivables amounting to ₹ Nil .(P.Y.₹ 32.50 lakhs)

Trade Receivables ageing schedule as on 31.03.2026

(₹ in lakhs)

Particulars	Accrued but not due (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	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good"	-	1133.33	118.99	-	1.57	-	1253.89
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2026

Note 12 : Trade Receivables-Current (Contd..)

(₹ in lakhs)

Particulars	Accrued but not due (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	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Expected Credit Loss provision as on 31.03.2026	-	-	-	-	-	-	-
Trade receivable as on 31.03.2026							**1,253.89**

Trade Receivables ageing schedule as on 31.03.2025

(₹ in lakhs)

Particulars	Accrued but not due (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"	32.50	44.25	-	1.68	-	-	78.43
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Expected Credit Loss provision as on 31.03.2025	-	-	-	-	-	-	-
Trade receivable as on 31.03.2026							**78.43**

Note 13 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Balance with Banks		
In current account	99.67	16.37
Term deposits with original maturity of less than three months	2,030.00	-
Total	**2,129.67**	**16.37**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 13 : Cash and Cash equivalents (Contd..)

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.

Note 14 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Term Deposits with banks with original maturity more than 12 months (Maturing more than 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	3,031.00	0.99
Total	**3,031.00**	**1,755.99**

Note 15 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Unsecured, considered good		
Interest accrued on Bank Deposits	13.05	49.77
Interest accrued on Eletricity and Other Deposits	-	2.22
Security deposits	3.16	0.50
Ship Building Financial Assistance	3,160.19	3,187.73
Foreign Exchange Derivatives Assets	-	1,374.15
Total	**3,176.40**	**4,614.37**

Note 16 : Other Current Assets

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Unsecured advances		
Advances to Suppliers and others	5,854.98	6,785.03
Contract Assets	8,499.34	7,016.13
Obsolete stock	448.85	206.57
Less: Provision for obsolesence	(448.85)	(206.57)
Balance with Revenue authorities	10.48	10.52
Miscellaneous deposits	0.18	0.03
Prepaid expenditure	142.17	235.31
Surplus Balance in Gratuity Fund maintained with LIC	66.30	44.69
Input Tax Credit on GST	7,413.90	6,077.68
Other Receivables	-	31.96
Total	**21,987.35**	**20,201.35**

Notes to the Financial Statements
for the year ended March 31, 2026

Note 16 : Other Current Assets (Contd..)

Misc deposits represents Earnest Money Deposit / security deposit kept in ordinary course of business.

No amounts due from directors and KMPs of the company either severally or jointly with any other person. Further, no amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 17 : Equity Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity shares of ₹ 10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Preference shares of ₹ 10/- each	6,50,00,000	6,500.00	6,50,00,000	6,500.00
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each fully paid up	10,80,00,000	10,800.00	10,80,00,000	10,800.00
Total	**10,80,00,000**	**10,800.00**	**10,80,00,000**	**10,800.00**

Terms & Rights attached to Equity shares: The Company has only one class of equity shares having a face value of ₹10 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. 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.

17.1 Reconciliation of number of shares and amounts

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	10,80,00,000	10,800.00	10,80,00,000	10,800.00
Add : Shares issued during the year	-	-	-	-
Less : Shares cancelled during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**10,80,00,000**	**10,800.00**	**10,80,00,000**	**10,800.00**

17.2 Details of shares held by Holding company

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Cochin Shipyard Limited	10,80,00,000	100%	10,80,00,000	100%
Total	**10,80,00,000**	**100%**	**10,80,00,000**	**100%**

17.3 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
Cochin Shipyard Limited	10,80,00,000	100%	10,80,00,000	100%

Notes to the Financial Statements

for the year ended March 31, 2026

Note 17 : Equity Share Capital (Contd..)

17.4 Shares held by promoters at the end of the year

Promoter name	No. of shares held at the end of the year	% of total shares	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Cochin Shipyard Limited	10,80,00,000	100%	10,80,00,000	-	-

Note 18 : Other Equity

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Debenture Redemption Reserve	100.00	100.00
General Reserve	7,389.79	7,361.70
Cash flow Hedge Reserve (Other comprehensive income)	(5,352.52)	946.83
Retained Earnings	7,238.00	(2,078.42)
Total	**9,375.27**	**6,330.11**
Retained Earnings		
Balance as at the beginning of the year	(2,078.42)	(2,303.69)
Less: Transition adjustments of Ind AS 115	-	-
Add: Net Profit / (Loss) for the period	9,338.76	262.78
Add/ (Less): Other Comprehensive income		
- Remeasurements of defined benefit plans	(22.34)	(37.51)
- Transfer to Debenture Redumption Reserve	-	-
Total comprehensive income for the current year	**7,238.00**	**(2,078.42)**
Balance as at the end of the year	**7,238.00**	**(2,078.42)**

Debenture Redemption Reserve:

The Company has created Debenture Redemption Reserve at 10% of the value of debenture issued by the company in accordance with Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 maturing in November, 2028.

General Reserve:

General reserve is primarily created to comply with the requirements of Companies Act and also for prudential purposes. 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.

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.3.7)

Note 19 : Borrowings - Non Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Unsecured		
Redeemable Non Convertible debentures issued to Holding company	1,000.00	1,000.00
Loan from Holding Company	500.00	-
Total	**1,500.00**	**1,000.00**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 19 : Borrowings - Non Current (Contd..)

a) Unsecured Redeemable Non Convertible debentures issued for ₹ 1000 Lakhs :- In order to meet the revival and general corporate requirements of company, 1 Lakh NCDs of face value ₹ 1000 each have been issued by UCSL to CSL, through private placement. The coupon rate is 6% and the interest needs to paid on yearly basis. NCDs are redeemable at par at the end of 84 months i.e; on November 2028.

b) Loan of ₹ 500 Lakhs :- In order to meet the working capital requirement arising during operational phase of company, Holding company Cochin Shipyard Limited granted ₹ 500 lakhs as unsecured loan carrying an interest rate of 6.25% p.a on 18.09.2025. The principal amount to be repaid at the end of 5 years from the date of disbursement i.e; on 17th September 2030. Interest repayments to be made on yearly basis on 31st March of each year.

Note 20 : Lease Liabilities-Non current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Lease Liabilities - Ind AS 116	535.43	594.37
Total	**535.43**	**594.37**

Note 21 : Other Financial liabilities - Non Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Rent Deposit	-	19.98
Total	**-**	**19.98**

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 22 : Other non current liabilities

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Advance Lease rent (Ind AS 109 adjustment)	-	2.36
Total	**-**	**2.36**

Note 23 : Provisions - Non Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Provision for employee benefits - Compensated absences	121.32	79.45
Provision for employee benefits - Gratuity	-	-
Total	**121.32**	**79.45**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 24 : Borrowings - Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Secured		
Loan from Holding Company (Current Maturity of Long Term Borrowings)	-	500.00
Loans repayable on demand from banks	3,985.62	4,344.04
Total	**3,985.62**	**4,844.04**

Company 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% per 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 as on 31.03.2026 is ₹ 3,985.62 (PY ₹ 4,344.04).

Loan from Holding Company- Refer Note 19 (b).

Note 25 : Lease liabilities - Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Lease Liabilities under Ind AS 116	114.82	53.88
Total	**114.82**	**53.88**

Note 26 : Trade Payables

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	143.73	350.53
Outstanding dues of creditors other than Micro enterprises and Small enterprises	4,816.85	4,651.89
Total	**4,960.58**	**5,002.42**

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	143.73	350.53
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;	-	-

Notes to the Financial Statements

for the year ended March 31, 2026

Note 26 : Trade Payables (Contd..)

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
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;	-	-

The outstanding dues to Micro and Small Enterprises as on the date of Balance Sheet is disclosed in the above note. During the year, the Company has repaid the dues of such enterprises on or before the appointed date and therefore the question of payment of interest to such enterprises does not arise. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Trade payables (other than from MSMEs) includes unbilled payables ₹1284.18 Lakhs ,which includes Capex provison of ₹ 60.21 Lakhs (P Y ₹728.80 lakhs).

Trade Payables ageing schedule as on 31/03/26

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
Not due	143.73	-	-	-	143.73
Due	-	-	-	-	-
(ii) Others					
Not due	1,837.81	-	-	-	1,837.81
Due	1,574.98	119.88		-	1,694.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
(v) Unbilled Creditors	1,284.18	-	-	-	1,284.18
Total	**4,840.70**	**119.88**	**-**	**-**	**4,960.58**

Trade Payables ageing schedule as on 31.03.2025

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
Not due	350.53	-	-	-	350.53
Due	-	-	-	-	-
(ii) Others					
Not due	1,624.46	-	-	-	1,624.46
Due	2,224.99	73.63		-	2,298.62
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
(v) Unbilled Creditors	728.80	-	-	-	728.80
Total	**4,928.79**	**73.63**	**-**	**-**	**5,002.42**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 27 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Foreign Exchange Derivatives Liability	5,449.11	108.88
Interest accrued but not due on borrowings	18.64	31.86
Others		
Trade Security and other deposits	334.97	1,230.50
Others Payables	62.91	1,274.55
Rent Deposit	21.80	-
Total	**5,887.43**	**2,645.79**

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 28 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Contract Liability	15,661.70	20,050.81
Advances for ship building , ship repair and other contracts	226.04	258.75
Statutory dues Payables	504.33	162.05
Advance Lease rent (Ind AS 109 adjustment)	0.59	-
Total	**16,392.66**	**20,471.61**

Note 29 : Provisions - Current

(₹ in lakhs)

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Provision for Employee benefits		
Gratuity	-	-
Compensated absences	2.86	5.44
Performance Incentive	106.13	67.50
Total (A)	**108.99**	**72.94**
Other Provisions		
For Guarantee Repairs	191.68	15.00
For Expenditure / contingencies	640.01	640.01
Total (B)	**831.69**	**655.01**
Total (A+B)	**940.68**	**727.95**

Guarantee repairs

Provision is made for estimated warranty claims in respect of ships and other products delivered which are still under warranty at the end of the reporting period.

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 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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 29 : Provisions - Current (Contd..)

29.1 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 / Contribution to Gratuity Fund during the period	As at 31.03.2026
Provision for employee benefits- Gratuity	-	-	-	-	-
Compensated absences	5.44	-	-	2.58	2.86
Performance Incentive	67.50	106.13	48.23	19.26	106.13
Guarantee Repairs	15.00	176.68	-	-	191.68
Provision for expenditure / contingencies	640.01	-	-	-	640.01

(₹ 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 31.03.2025
Provision for employee benefits- Gratuity	-	-	-	-	-
Compensated absences	2.46	2.98	-	-	5.44
Performance Incentive	-	67.50	-	-	67.50
Guarantee Repairs	47.26	15.00	47.26	-	15.00
Provision for expenditure / contingencies	640.01	-	-	-	640.01

Note 30 : Revenue from operations

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Sale of products		
Ship building:		
Vessels	55,257.98	22,697.60
Engineering works	61.62	-
Ship Building Financial Assistance	6,099.67	3,424.94
	61,419.27	**26,122.54**
Sale of services		
Ship repairs	-	-
Engineering works	-	-
	-	**-**
Other operating revenue		
Sale of stock items	305.58	337.00
Sale of scrap- Production	86.79	104.06
	392.37	**441.06**
Total	**61,811.64**	**26,563.60**

Refer Note No 41 on Ind AS 115 for other disclosures with regard to ""Revenue from Contract with Customers"", Sale of stock items represents, sale of required materials viz. ship building materials, consumables etc to the contractors/customers.

Company has contracted with CSL and undertaken turnkey project of shipbuilding which has been shown under Income head ""Engineering Works "" for amount of ₹ 61.62 Lakhs (PY ₹ Nil)

The Opertaing income of the Company, as disclosed above, includes unbilled revenue of ₹27,871.86 Lakhs (PY ₹ 20,856.83 Lakhs) Out of the Revenue from Operations, ₹ 45,952.24 Lakhs (PY ₹ 19390.17 Lakhs) pertaining to revenue from export orders.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 31 : Other Income

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Income from sale of scrap and stores	28.16	178.12
Profit on sale of Property, Plant & Equipment	-	-
Hire charges	90.00	90.00
Interest on bank deposits	91.98	211.89
Other Interest Received	62.48	286.23
Net gain on foreign currency transactions	618.44	52.85
Net gain on derivative contracts	-	282.16
Unwinding of Interest on Security Deposit- Ind AS 109	2.31	2.26
Miscellaneous income	316.28	195.01
Total	**1,209.65**	**1,298.52**

The company 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.

Income from Sale of scrap & stores includes unbilled revenue of ₹ Nil (PY ₹32.50 lakhs)

Miscellaneous income represents liquidation damage collected from customers, etc.

Other Interest Received includes ₹ Nil (PY ₹ 283.76) recd form Chidambaram Port Trust against Court order

Other Interest received includes notional income @ 8.05 % p.a.on opening balances of Security depoists received from vendors for one year & on retention amount withheld from Suppliers for a period of six months as per IND AS 109 amounting to ₹ 58.27 lakhs.

Note 32 : Cost of material consumed

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Raw Materials		
Steel	4,755.72	3,630.11
Pipe	200.74	91.46
Paint	478.53	338.43
Bought out components	23,872.31	10,737.73
Total	**29,307.30**	**14,797.73**

Note 33 : 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 Mar 31, 2026	For the Year ended Mar 31, 2025
Work -in-progress at cost:		
At the beginning of the year	(885.23)	(428.64)
Less: at the end of the year	(240.00)	(885.23)
Total	**645.23**	**(456.59)**

Notes to the Financial Statements
for the year ended March 31, 2026

Note 34 : Sub Contract and Direct Expenses

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Sub contract and off loaded jobs	7,063.10	3,704.52
Hull insurance	94.31	69.24
Design Expenses	834.20	2,120.39
Operating expenses	2,539.29	1,139.79
Total	**10,530.90**	**7,033.94**

Note 35 : Employee Benefits Expenses

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Salaries, wages, bonus/exgratia and allowances	1,560.58	1,181.26
Contribution to Provident Fund and Family Pension Fund	100.48	78.59
Gratuity / EL	(11.25)	29.80
Staff welfare expenses	199.50	155.32
Total	**1,849.31**	**1,444.97**

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of earned leave and half pay compensated absences for employees amounting to ₹ 52.84 lakhs (PY ₹ 59.11 lakhs)

Employee benefit expenses includes ₹130.46 lakhs being secondment services availed from holding company (PY ₹130.41 Lakhs)

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

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 Mar 31, 2026	For the Year ended Mar 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 Mar 31, 2026	For the Year ended Mar 31, 2025
Service Cost:		
Current Service Cost	9.13	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**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 35 : Employee Benefits Expenses (Contd..)

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 Mar 31, 2026	For the Year ended Mar 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 Mar 31, 2026	For the Year ended Mar 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 Mar 31, 2026	For the Year ended Mar 31, 2025
Defined Benefit Obligation at beginning of the year	84.89	28.31
Current & Past Service Cost	12.51	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**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 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 Mar 31, 2026	For the Year ended Mar 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"

Notes to the Financial Statements
for the year ended March 31, 2026

Note 35 : Employee Benefits Expenses (Contd..)

(₹ in lakhs)

Sensitivity Analysis - Earned Leave	For the Year ended Mar 31, 2026	For the Year ended Mar 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	8.12%	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

(₹ in lakhs)

The principal assumptions used for the purpose of actuarial valuation were as follows:	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Discount Rate (p.a)	7.40%	6.60%
Rate of increase in compensation levels	5.00%	5.00%
Withdrawl Rate	1.00%	0.00%
Expected Rate of Return on Plan Asset	7.63%	7.60%

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 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 Mar 31, 2026	For the Year ended Mar 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)**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 35 : Employee Benefits Expenses (Contd..)

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 Mar 31, 2026	For the Year ended Mar 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	170.53	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 Mar 31, 2026	For the Year ended Mar 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	3.38
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 Mar 31, 2026	For the Year ended Mar 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	41.18	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)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 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

Notes to the Financial Statements

for the year ended March 31, 2026

Note 35 : Employee Benefits Expenses (Contd..)

(₹ in lakhs)

Sensitivity Analysis	For the Year ended Mar 31, 2026	For the Year ended Mar 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 Mar 31, 2026	For the Year ended Mar 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.

Note 36 : Finance Costs

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Interest expense on lease liabilities Ind AS 116	60.94	60.67
Interest on Cash credit	439.75	33.71
Interest on Loan from Holding Company	27.94	27.50
Interest on Non convertible debentures-Holding Company	60.00	60.00
Interest expense on Financial liabilities- Ind As 109	61.48	1.72
Total	**650.11**	**183.60**

Interest Expense on Financial Liabilities includes an amount provided for Notional Interest @ 8.05 % p.a. on Opening Balances of Security depoists received from vendors for one year & on retention amount withheld from Suppliers for a period of six months as per IND AS 109 amounting to ₹ 58.27 lakhs.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 37 : Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Depreciation on property, plant and equipments	876.04	1,001.07
Depreciation on Right Of Use Assets	28.16	28.16
Amortisation of intangible asset	71.62	59.11
Total	**975.82**	**1,088.34**

Note 38 : Other Expenses

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Consumption of stores & spares	492.64	378.97
Dimunition in value of Loose tools	42.67	40.06
Rates and taxes	13.14	14.44
Power	328.95	257.94
Fuel	257.05	324.33
Water	9.28	5.64
Repairs and maintenance:		
Building and roads	162.56	149.64
Plant and machinery	172.78	195.80
Others	242.70	233.41
Transport and stores handling	103.69	71.06
Travelling and conveyance expenses	81.86	104.66
Printing and stationery	12.66	12.66
Postage, telephone and telex	5.61	3.05
Advertisement and publicity	39.73	15.57
Lease rent	-	-
Hire charges	262.77	180.08
Insurance charges	42.48	26.59
Security expenses	179.59	127.35
Payments to Auditors	4.80	4.80
Training expenses	14.95	6.22
Legal expenses	12.18	16.02
Consultancy	75.08	51.13
Bank Guarantee commission / Bank charges	369.00	390.57
Net loss on foreign currency transactions	1,430.25	-
Corporate Social Responsibility (Refer Note no 39)	0.10	-
Net loss/(Gain) on Derivative Contracts	1,128.99	
Loss on sale/write off of property, plant and equipments	-	-
Provision for non moving stock items / Stores written off	242.28	187.68
Miscellaneous expenses	167.04	113.72
Total	**5,894.83**	**2,911.39**

Notes to the Financial Statements
for the year ended March 31, 2026

Note 38 : Other Expenses (Contd..)

Auditors remuneration, Auditors remuneration for other services and include:

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
For Audit Fees	3.00	3.00
For Limited Review/other services	1.80	1.80
Total	**4.80**	**4.80**

Note 39 : Corporate Social responsibility

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Details of utisation of CSR Funds		
a) Gross Amount reqd to be spent by the Company during the year	0.10	-
b) Amount spent during the year	0.10	-

Note 40 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Net Profit after tax (₹ in lakhs)	9,338.76	262.78
Weighted average number of Equity Shares	10,80,00,000	10,80,00,000
Basic and Diluted Earnings Per Share (EPS) (in ₹)	8.65	0.24
Face value per equity (in ₹) Fully Paid	10.00	10.00

Note 41: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers

The Company, has undertaken an assessment of whether it is principal or agent in its transactions for sale of products and services, on the indicators specified under Ind AS 115. Based on such assessment, the Company is of the view that it is a principal involving sale of products and services and has disclosed the revenue for the reporting as well as comparative year, but at net of Goods and Service Tax.

Disaggregated revenue as per Ind AS 115 :

The table below presents disaggregated revenues from contracts with customers for the year reporting year by type of products/ services and geographical regions. The Company believe that this disaggregation best depicts how the nature, amount and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. The details are given below:

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
On the basis of type of products/services:		
Revenue from Contracts with customers		
A. Revenue from goods or services transferred over time		
(i) Sale of products		
Ship building:		
Vessels	55,257.98	22,697.60
Engineering works	61.62	-

Notes to the Financial Statements

for the year ended March 31, 2026

Note 41: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers (Contd..)

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
(ii) Sale of services		
Engineering works	-	-
Ship Repairs	-	-
(iii) Other Operating Revenue		
Ship Building Financial Assistance	6,099.67	3,424.94
Sale of Stock Items	305.58	337.00
Sale of scrap	86.79	104.06
Total	**61,811.64**	**26,563.60**

The disclosure with regard to revenue from contract with customers and disaggregate revenue information are given vide Note 30 read with subnotes thereon. The disclosure in this note is to be read with disclosures made as required under Ind AS 115 vide Note 12 & subnotes thereon, Note 16 & subnotes thereon , Note 28 and Note 30 & subnotes thereon.

Accordingly the receivables arising from recognition of revenues represent trade receivables and Contract Assets, which is a right to consideration that is unconditional upon passage of Revenue. Such trade receivables & Contract Assets are presented net of impairment if any, in the Balance Sheet vide Note 12 read with subnotes therein and Note 16 read with subnotes therein. There are no impairment losses in trade receivables and contract assets.

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
On the Basis of Geographical region		
Domestic	15,859.40	7,173.43
Export Sales	45,952.24	19,390.17
Total	**61,811.64**	**26,563.60**

The Company is of the opinion that the disclosures with regard to disaggregation of revenue, as stated in above two tables, are sufficient disclosure as required under Ind AS 115.

The provisions of Ind AS 108 i.e. 'Operating Segment' is not applicable for the Company, except for disclosing the details of major customers, for the reason as given in note 50. Act. Accordingly the question of disclosing the disaggregated information, on the basis of segment, does not arise.

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 ₹ 2,06,117.01 lakhs (PY ₹2,24,780.03 lakhs) and will be recognised as revenue in susequent years.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

Other Disclosures:

Opening and Closing Balance of Receivables from contract with customers: Disclosed in Note 12 of Balance Sheet. Opening and Closing Balance of Contract Assets and Contract Liabilities from contract with customers: Disclosed in Note 16 and 28 of Balance Sheet.

Costs (including incremental cost) incurred to obtain or fulfill the contract with customer which are required to be amortised for more than one year (i.e. capitalised) : ₹ Nil (P Y ₹ Nil)

Notes to the Financial Statements

for the year ended March 31, 2026

Note 41: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers (Contd..)

Existence of significant financial component in the transaction price determined with the contract with customer: ₹ Nil (P Y ₹ Nil)

Disclosure with regard to performance obligations, allocation of transaction price to the remaining performance obligations, Significant judgments in the application of standard, timing of satisfaction of performance obligations, determining the transaction price and the amounts allocated to performance obligation:

The Company is in the business of construction of sea-going vessels , repair of ships and other related works. The major portion of the aforesaid activities are customer specific and based on the orders received from the customers. The Company is recognising the revenue as detailed in note 3.14 of Material Accounting Policy annexed to the Balance Sheet. The Invoice is being generated on the date of transfer of control(i.e date of signing of Protocol of Delivery & Acceptance). However the revenue recognised under output method, as disclosed in aforesaid note. Accordingly the company is satisfying the performance obligations on progressive basis. The transaction price with customer is being determined by mutual consent and accordingly being allocated on a systematic basis i.e in accordance with the accounting policy adopted by the Company.

There are no obligations for returns, refunds and any other similar purposes. The Company has duly provided for warranty/guarantee obligations and disclosed the same under Note 29 the Financial Statement. The amount provided for guarantee/warrantee during the financial year ₹ 191.68 lakhs (PY ₹15 lakhs) , which is inclused in note no 34, under operating expenses.

The other disclosures as required under Ind AS 115 are not applicable to the Company.

Reconciliation of contracted price with revenue during the year

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Opening contracted price of orders	**2,49,078.30**	**69,454.26**
Add:		
Fresh orders/change orders received (net)	23,515.83	1,66,624.80
Increase due to additional consideration including Shipbuilding Financial assistance	1,226.36	22,913.97
Increase due to exchange rate movements (net)	18,625.50	1,266.49
Less:		
Other deductions including variations, change orders etc.	-	414.00
Orders completed during the year	55,513.39	10,767.22
Closing contracted price of orders	**2,36,932.60**	**2,49,078.30**
Total Revenue recognised during the year:	61,419.27	26,122.54
Less: Revenue out of orders completed during the year	34,158.85	5,644.49
Revenue out of orders under execution at the end of the year (I)	27,260.42	20,478.05
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	2,943.73	3,441.44
Effect of Reversal of Revenue (Cancelled Contract)	-	378.78
Decrease due to exchange rate movements (net) (III)	611.44	-
Balance revenue to be recognised in future viz. Order book (IV)	2,06,117.01	2,24,780.03
Closing contracted price of orders (I+II+III+IV)	**2,36,932.60**	**2,49,078.30**

Notes to the Financial Statements

for the year ended March 31, 2026

Note 42: Additional Disclosures under Ind AS 116-"Leases"

The Company as a lessee:

Depreciation charge for right of use assets by class of underlying asset: Refer Note 4 read with note 37 of Financial Statement

Interest expense on lease liabilities : Refer Note 36 of Financial Statement under the head "Interest expense on lease liabilities Ind AS 116"

Expense relating to short term leases accounted for applying recognition exemptions: Refer Note 38 under the head "Hire Charges".

Expenses relating to leases of low value assets accounting for applying recognition exemptions: There are no such leases.

Expenses relating variable lease payments not included in the measurement of lease liabilities: There are no such cases.

Income from subleasing of right to use assets: There are no such cases.

Additions to Right to use assets and Carrying amount right of use assets at the end of the reporting period by class of underlying asset : Refer Note 4 of Financial Statement.

Maturity Analysis of Lease Liabilities applying Ind AS 107: Refer Note 48 of Financial Statement.

Rent and Hire charges Expense includes expense incurred for the year ended 31.03.2026 relating to Short term leases and leases of low value assets amounting to ₹262.77 lakhs (PY ₹180.08 lakhs)

Total cash outflow for leases :

In respect of leases covered under Ind AS 116-Long Term Leases:

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Lease Liability portion	-	-
Interest Portion	58.95	57.82
Total	**58.95**	**57.82**

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 Mar 31, 2026	For the Year ended Mar 31, 2025
Less than one year	60.13	58.94
One to Five years	319.52	312.90
More than Five years	1,355.06	1,421.44
Total	**1,734.71**	**1,793.28**

Movement of Lease Liabilities are as under:

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Opening Balance	648.25	645.38
Add: Additions	-	-
Add: Interest recognised during the year	60.94	60.67
Less: Payment made	58.95	57.82
Total	**650.25**	**648.25**

Notes to the Financial Statements
for the year ended March 31, 2026

Note 42: Additional Disclosures under Ind AS 116-"Leases" (Contd..)

The Company as a Lessor:

The Company has given one no "Team 2" (12T Bollard Pull Tug) on operating lease . The lease rent receivable there on credited to statement of profit and loss account vide Note 31.

The nature of leasing activity carried on by the Company is the contracting of "Team 2" (12T BollardPull Tug) on operating lease. The management does not foresee any risk associated with any rights in retaining the underlying asset. The lease is supported by lease agreement/MOU and lessee is required to hand over the possession of the property back to the Company on expiry of the lease term. There are no other risk management strategy with regard to the lease.

Year Wise breakup of future Lease Rental Receivables (undiscounted):

Receivable during next	Amount (₹ Lakhs)
1st year	30.00
Total	**30.00**

Note 43: 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 generally a bank. The company has the following outstanding forward contracts, which have been designated as Cash Flow Hedges, as on 31 Mar 26

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Currency	Euro	Euro
No of Contracts	81	111
Notional amount of contracts (₹ in lakhs)	70,279.38	82,999.05
Fair Value Gain/ (Loss) (₹ in lakhs)	(5,449.11)	1,265.27

The movement in Hedge reserve for derivatives designated as cash Flow Hedges is as follows:

(₹ in lakhs)

Particulars	For the Year ended Mar 31, 2026	For the Year ended Mar 31, 2025
Balance at the beginning of the year Cr/(Dr)	946.83	324.52
Changes in the fair value of effective portion of outstanding cash flow derivatives (Net of Taxes)	(6,299.35)	622.31
Total	**(5,352.52)**	**946.83**

Note 44: Disclosures required by Ind AS 8" Accounting Policies, Changes in Accounting Estimates

During the financial year, no change has been made in Accounting Estimates from Previous year

Notes to the Financial Statements

for the year ended March 31, 2026

Note 45: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 Mar 2026 (₹ in Lakhs)	As at 31 Mar 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
A Contingent Liability after takeover from M/s Tebma Shipyards Limited (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 ₹1,26,253.00 lakhs (PY ₹ 1,08,753.00 lakhs) as against the security of hypothecation of current assets including inventory and trade receivables of the company.

B Contingent Liabilities related to erstwhile M/s Tebma Shipyards Limited

i. Tax Matters	As at 31 Mar 2026 (₹ in Lakhs)	As at 31 Mar 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 45: CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

i. Tax Matters	As at 31 Mar 2026 (₹ in Lakhs)	As at 31 Mar 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
- 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. 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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 45: CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

i. Tax Matters	As at 31 Mar 2026 (₹ in Lakhs)	As at 31 Mar 2025 (₹ in Lakhs)	Brief Description of the nature and obligation
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.

Note 46. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2025-26	2024-25
Shri Jose V J Chairman"	Key Managerial Personnel (Chairman since 01.02.2026)	Key Managerial Personnel
Shri Madhu S Nair Chairman	Key Managerial Personnel (Till 31.01.2026)	Key Managerial Personnel
Shri Bejoy Bhasker Director	Key Managerial Personnel (Till 31.05.2025)	Key Managerial Personnel
Shri Sreejith K Narayanan Director	Key Managerial Personnel (Till 31.05.2025)	Key Managerial Personnel
Shri Shiraz V P Director	Key Managerial Personnel (From 23.07.2025)	-
Dr. Harikrishnan S Director	Key Managerial Personnel (From 23.07.2025)	-
Shri Rajesh Gopalakrishnan Director	Key Managerial Personnel	Key Managerial Personnel (From 30.10.2024)
Smt. Anjana K R Director	Key Managerial Personnel	Key Managerial Personnel
Shri Harikumar A Chief Executive Officer	Key Managerial Personnel	Key Managerial Personnel
Shri Shankar Nataraj Chief Financial Officer	Key Managerial Personnel	Key Managerial Personnel
Shri Aswin Sarma M Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Cochin Shipyard Limited (Principal place of Business: Cochin)	Holding Company	Holding Company
Hoogly Cochin Shipyard Limited (Principal place of Business: Kolkata)	Fellow Subsidiary Company	Fellow Subsidiary Company

Notes to the Financial Statements

for the year ended March 31, 2026

Note 46 . Related Party disclosure as per Ind AS 24 (Contd..)

Nature of transaction-Remuneration to Key Managerial Person*

(₹ in lakhs)

Particulars	2025-26	2024-25
Shri Harikumar A		
Short term benefit	38.60	34.99
Post employment Benefit -Gratuity	3.25	1.77
Total	**41.85**	**36.76**
Shri Shankar Nataraj		
Short term benefit	33.88	31.65
Post employment Benefit -Gratuity	1.96	0.48
Total	**35.84**	**32.13**
Shri Aswin Sarma M		
Short term benefit	11.45	10.15
Post employment Benefit -Gratuity		
Total	**11.45**	**10.15**

Outstanding Balance with Holding Company

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31,2025
Receivables	1.11	1.11
Payables	21.72	19.42
Interest accrued but not due on borrowings	18.64	31.86
Non Convertible Debentures	1,000.00	1,000.00
Loan	500.00	500.00

The Company has repaid the existing Loan of ₹ 5 Cr and taken a fresh loan of ₹ 5 Cr during the reporting year.

Nature of transaction - Transaction with Related parties with Holding Company

(₹ in lakhs)

Particulars	2025-26	2024-25
Secondment Charges paid (Excl. GST)	130.46	130.41
Purchase of services (incl. GST)	-	13.34
Sale of goods to Cochin Shipyard Ltd (incl. GST)	-	-
Interest expenses on Loan	27.94	27.50
Interest expenses on Non Covertible Debenture	60.00	60.00
Revenue on Engineering works	61.62	-
Revenue from Ship Repair	-	-
Allotment of Equity shares	-	-
Liasoning Charges received	-	-

All the Transaction with holding company were made on terms equivalent to those that prevailed in arm's length transactions

Notes to the Financial Statements

for the year ended March 31, 2026

Note 46 . Related Party disclosure as per Ind AS 24 (Contd..)

(₹ in lakhs)

Shares held by Nominees in UCSL on behalf of CSL	As at March 31, 2026	As at March 31, 2025
Madhu S Nair, Chairman till 31.01.2026	-	10
Bejoy Bhasker, Director till 31.05.2025	-	10
Jose V J, Director, Chairman from 01.02.2026	10	10
Sreejith K Narayanan, Director till 31.05.2025	-	10
Harikumar A, Chief Executive Officer	10	10
Dr. Harikrishnan S, Director from 23.07.2025	10	-
Syamkamal N, Company Secretary-CSL	10	-
Rajesh Gopalakrishnan,Director	10	-
Aswin Sarma M, Company Secretary-UCSL	10	10

Note 47. 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 (but fair value disclosures are required)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31, 2026	As at March 31, 2025	
Financial Assets			
Non Current			
Others	41.06	38.09	Level III
Current			
(i) Trade Receivables	1,253.89	78.43	Level III
(ii) Cash & Cash equivalents	2,129.67	16.37	Level III
(iii) Bank Balances other than (ii)	3,031.00	1,755.99	Level III
(iv) Loans	-	-	Level III
(iv) Others	3,176.40	4,614.37	Level III
Total Financial Assets	**9,632.02**	**6,503.25**	
Financial Liabilities			
Non Current			
(i) Borrowings	1,500.00	1,000.00	Level III
(ii) Lease Liabilities	535.43	594.37	Level III
(iii) Other financial liabilities	-	19.98	Level III

Notes to the Financial Statements

for the year ended March 31, 2026

Note 47. Financial Instruments (Contd..)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31, 2026	As at March 31, 2025	
Current			
(i) Borrowings	3,985.62	4,844.04	Level III
(ii) Trade Payables	4,960.58	5,002.42	Level III
(iii) Lease Liabilities	114.82	53.88	Level III
(iii) Other financial liabilities	5,887.43	2,645.79	Level III
Total Financial Liabilities	**16,983.88**	**14,160.48**	

Note:

There were no transfers between Level 1 and 2 in the period.

Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.

The carrying amount of trade receivables, trade and other payables and short term loans are considered to be the same as their fair value due to their short term nature.

Difference between carrying amounts and fair values of bank deposits, other financial assets,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 31.03.2026			As at 31.03.2025		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost/At Cost
Financial Assets						
Trade receivables	--	--	1,253.89	--	--	78.43
Cash & Cash equivalents	--	--	2,129.67	--	--	16.37
Bank Balances	--	--	3,031.00	--	--	1,755.99
Other Financial Assets	--	--	3,217.46	--	--	4,652.46
Total Financial Assets	**-**	**-**	**9,632.02**	**-**	**-**	**6,503.25**
Financial liabilities						
Borrowings	--	--	5,485.62	--	--	5,844.04
Trade payables	--	--	4,960.58	--	--	5,002.42
Other financial liabilities	--	--	6,537.68	--	--	3,314.02
Total Financial Liabilities			**16,983.88**	**-**	**-**	**14,160.48**

Note 48 - 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. The Company's principal financial assets include 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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 48 - Financial Risk Management Policy (Contd..)

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, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, 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 relates primarily to the Company's long-term debt obligations of Non Convertible Debenture(NCD) and loan from holding company with fixed rate as disclosed in Note 19 & 24. With the current profile of long term fixed rate borrowing, the company is not sensitive to interest rate fluctuations

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 43

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		As at March 31, 2026	As at March 31,2025
Financial Assets		-	-
Financial Liabilities		48.02	1,856.38
	USD	6.88	77.11
	EUR	35.15	1,463.51
	GBP	0.84	5.69
	NOK	5.15	307.43
	AED	-	1.42
	SGD	-	1.22

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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 48 - Financial Risk Management Policy (Contd..)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in lakhs)

Particulars	Impact on financial Liabilities	
	As at 31.03.2026	As at 31.03.2025
EURO - Strengthening of ₹ by 5%	(1.76)	(73.18)
EURO - Weakening of ₹ by 5%	1.76	73.18
USD - Strengthening of ₹ by 5%	(0.34)	(3.86)
USD - Weakening of ₹ by 5%	0.34	3.86
NOK - Strengthening of ₹ by 5%	(0.26)	(15.37)
NOK - Weakening of ₹ by 5%	0.26	15.37
GBP - Strengthening of ₹ by 5%	(0.04)	(0.28)
GBP - Weakening of ₹ by 5%	0.04	0.28
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

(₹ in lakhs)

Particulars	Impact on Profit Before Tax	
	As at 31.03.2026	As at 31.03.2025
EURO - Strengthening of ₹ by 5%	1.76	73.18
EURO - Weakening of ₹ by 5%	(1.76)	(73.18)
USD - Strengthening of ₹ by 5%	0.34	3.86
USD - Weakening of ₹ by 5%	(0.34)	(3.86)
NOK - Strengthening of ₹ by 5%	0.26	15.37
NOK - Weakening of ₹ by 5%	(0.26)	(15.37)
GBP - Strengthening of ₹ by 5%	0.04	(5.69)
GBP - Weakening of ₹ by 5%	(0.04)	(5.69)
AED - Strengthening of ₹ by 5%	-	(1.42)
AED - Weakening of ₹ by 5%	-	(1.42)
SGD - Strengthening of ₹ by 5%	-	(1.22)
SGD - Weakening of ₹ by 5%	-	1.22

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.

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 through infusion of equity fund, whenever necessary, which together with the

Notes to the Financial Statements

for the year ended March 31, 2026

Note 48 - Financial Risk Management Policy (Contd..)

available cash and cash equivalents provides liquidity in the short-term and long- term. Company 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 31/03/2026		
	< I Year	1-3 years	>3 years
Financial Asset			
Trade receivables	1,253.89	-	-
Cash & Cash equivalents	2,129.67	-	-
Bank Balances	3,031.00	-	-
Other Financial Assets	2,897.28	320.18	-
Total Financial Asset	**9,311.84**	**320.18**	**-**
Financial Liability			
Non Current:			
Borrowings	-	-	1500.00
Lease Liability	-	-	535.43
Other Financial Liabilities	-	-	-
Current:			
Borrowings	3,985.62	-	-
Lease Liability	114.82	-	-
Trade payables	4,960.58	-	-
Other financial liabilities	5,887.43	-	-
Total Financial Liability	**14,948.45**	**-**	**2,035.43**

(₹ in lakhs)

Particulars	As on 31/03/2025		
	< I Year	1-3 years	>3 years
Financial Asset			
Trade receivables	76.75	1.68	-
Cash & Cash equivalents	16.37	-	-
Bank Balances	1,755.99	-	-
Other Financial Assets	4,332.28	320.18	-
Total Financial Asset	**6,181.39**	**321.86**	**-**
Financial Liability			
Non Current:			
Borrowings	-	-	1000.00
Lease Liability	-	-	594.37
Other Financial Liabilities	-	19.98	-
Current:			
Borrowings	4,844.04	-	-
Lease Liability	53.88	-	-
Trade payables	5002.42	-	-
Other financial liabilities	2645.79	-	-
Total Financial Liability	**12,546.13**	**19.98**	**1,594.37**

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 financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.The companies maximum exposure to the credit risk for the components of balance sheet as on 31.03.2026 is carrying amount mentioned in Note no 12 to 16.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 49. 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 (but within the operating cycle)

(₹ in lakhs)

Particulars	As on 31.03.2026		
	Within twelve months	After twelve months	Total
Inventories	10,456.28	-	10,456.28
Trade receivables	1,253.89	-	1,253.89
Cash and cash equivalents	2,129.67	-	2,129.67
Bank balances	3,031.00	-	3,031.00
Other Financial assets	2,856.22	320.18	3,176.40
Other current assets	14,573.45	7,413.90	21,987.35

b. Current liabilities expected to be settled within twelve months and after twelve months from the reporting date (but within the operating cycle)

(₹ in lakhs)

Particulars	As on 31.03.2026		
	Within twelve months	After twelve months	Total
Lease Liabilities	114.82	-	114.82
From Banks	3,485.62	-	3,485.62
From Holding Company	500.00	-	500.00
Trade payables	4,960.58	-	4,960.58
Other financial liabilities	5,887.43	-	5,887.43
Other current liabilities	(64.68)	16,457.34	16,392.66
Provisions	940.68	-	940.68

(₹ in lakhs)

Particulars	As on 31.03.2025		
	Within twelve months	After twelve months	Total
Inventories	11,654.43	-	11,654.43
Trade receivables	78.43	-	78.43
Cash and cash equivalents	16.37	-	16.37
Bank balances	1,755.99	-	1,755.99
Other Financial assets	4,294.19	320.18	4,614.37
Other current assets	14,123.67	6,077.68	20,201.35

(₹ in lakhs)

Particulars	As on 31.03.2025		
	Within twelve months	After twelve months	Total
Borrowings			
Lease Liabilities	53.88	-	53.88
From Banks	4,344.04	-	4,344.04
From Holding Company	500.00	-	500.00
Trade payables	5,002.42	-	5,002.42
Other financial liabilities	2,645.79	-	2,645.79
Other current liabilities	4,014.27	16,457.34	20,471.61
Provisions	727.95	-	727.95

Notes to the Financial Statements

for the year ended March 31, 2026

Note 50. Disclosure pursuant to Ind AS 108 "Operating Segment"

The Company operates under a single reportable segment i.e. Shipbuilding, since other business segments are not material. Hence, disclosures pertaining to segment reporting as required by Ind AS 108 is not applicable to it. However, the disclosures as below, are being made for transperancy purposes.

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31,2025
Segment Assets		
Ship building	39,633.49	30,263.01
Ship repair	-	(7.46)
Unallocated	14,980.32	22,316.40
Total	**54,613.81**	**52,571.95**
Segment Liability		
Ship building	9,762.79	10,459.77
Ship repair	-	36.88
Unallocated	24,675.75	24,945.19
Total	**34,438.54**	**35,441.86**
Segment Revenue		
Ship building	61,789.88	26,563.60
Ship repair	-	-
Unallocated	1,231.41	1,298.52
Total	**63,021.29**	**27,862.12**
Segment Result		
Ship building	18,120.38	2,493.68
Ship repair	-	-
Unallocated	(4,952.59)	(1,634.94)
Total	**13,167.79**	**858.74**

Unallocated results comprises arrived at after considering Finance Cost ₹650.11 lakhs (P Y ₹183.60 lakhs)

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. The amounts appearing in the financial statements relate to the company's single operating segment.

Details of single external customers with whom revenues from transactions amount to 10 per cent or more of an entity's revenues provided below:

(₹ in lakhs)

Particular	Segment	As at 31st March 2026		As at 31st March 2025	
		Amount	Percentage of the Total Revenue	Amount	Percentage of the Total Revenue
Customer 1	Ship Building	46563.68	75.33%	19390.17	73.00%
Customer 2	Ship Building	11458.95	18.54%	5785.75	21.78%

Notes to the Financial Statements

for the year ended March 31, 2026

Note 51 A. Further Disclosure as required under Ind AS 7 (Statement of Cash Flows) with regard to financing activities

(₹ in lakhs)

Particulars	Opening Bal. as on 1st April, 2025	Cashflows	Non cash transactions- Processing Charges	Closing Bal. as on 31st March 2026
Issue of Share Capital	10,800.00	-	-	10,800.00
Non Current Borrowings	1,500.00	-	-	1,500.00
Working Capital Borrowings	4,344.04	(358.42)	-	3,985.62
	16,644.04	**(358.42)**	**-**	**16,285.62**
Net gain /(loss) on foreign currency transactions		(811.81)		
Net gain /(loss) on Derivative Contracts		(1,128.99)		
Interest Paid on Borrowings		(527.69)		
Other items (Ind AS 116) Lease payments- Principal & Interest portion		-		
Total Cash Inflow on account of Financial Activities		**(2,826.91)**		

(₹ in lakhs)

Particulars	Opening Bal. as on 1st April, 2024	Cashflows	Non cash transactions- Processing Charges	Closing Bal. as on 31st March, 2025
Issue of Share Capital	10,800.00	-	-	10,800.00
Non Current Borrowings	1,500.00	-	-	1,500.00
Working Capital Borrowings		4,344.04	-	4,844.04
	12,300.00	**4,344.04**	**-**	**17,144.04**
Net gain /(loss) on foreign currency transactions		52.85		
Net gain /(loss) on Derivative Contracts		282.16		
Interest Paid on Borrowings		(121.21)		
Other items (Ind AS 116) Lease payments- Principal & Interest portion		(57.82)		
Total Cash inflow on account of Financial Activities		**4,500.02**		

Note 51.B Disclosures with regard to regrouping

The comparative years figures are regrouped whereever necessary .The regroupings are done for better presentation and to align with the disclosures of Holding Company.

Note 51.C. 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.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 51.C. Capital Management (Contd..)

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
Non current borrowings (Includes current maturity of Long Term Debt)	1500.00	1500.00
Current borrowings	3985.62	4344.04
Total Debt	**5485.62**	**5844.04**
Equity Share Capital	10800.00	10800.00
Other equity	9375.27	5873.52
Shareholders' Equity	**20175.27**	**16673.52**
Gearing Ratio	**27.19%**	**35.05%**

Note 52. Ratios

Ratio	Numerator	Denominator	2025-26	2024-25	% Variance	Remark if changes more than 25%
Current Ratio	Current Assets	Current Liabilities	1.30	1.14	14%	-
Debt /Equity Ratio	Total Debt	Shareholder's Equity	0.27	0.09	200%	During current year short term borrowings has been added which was not taken in previous year.After considering change, 2024-25 ratio will be 0.35 and %Variance will be 24%
Debt Service Coverage Ratio	Earning for Debt Service*	Debt Service*	20.78	8.57	142%	Company earned better profit during the year due to higher Turnover
Return on Equity (ROE)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.501	0.016	3031%	Company earned better profit during the year due to higher Turnover
Inventory Turnover Ratio	Sales	Average Inventory	5.59	3.03	84%	Increase in sales compared to previous year
Trade receivables turnover ratio	Sales	Avg. Accounts Receivable	92.79	66.42	40%	Increase in sales during the period
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.64	5.27	7%	-
Net capital turnover ratio	Net Sales	Working Capital	6.34	5.81	9%	-
Net profit ratio	Net Profit	Net Sales	0.15	0.010	1411%	Company's PAT has improved as compared to last year
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	0.58	0.07	729%	Due to increase in Profit and change in formula for better presentation. After considering change in formula 2024-25 ratio will be 0.05 and %Variance will be 940%.
Return on investment	PAT	Sum invested	NA	NA	-	No investment made by the company

*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

Notes to the Financial Statements

for the year ended March 31, 2026

Note 53. 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 54. Other Statutory Information

a) The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Udupi Cochin Shipyard Ltd & erstwhile Tebma Shipyards Ltd as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Right to use assets in the financial statements, the lease agreements are in the name of the Company.

b) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

c) The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.

d) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

e) Registration, Modification and Satisfaction of charges, where ever applicable, relating to the year under review, had been filed with the Registrar of Companies, within the prescribed time.

f) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

g) The Company 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

h) The Company is not declared as willful defaulter by any bank or financial Institution or other lenders.

i) The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

j) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

k) 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Financial Statements

for the year ended March 31, 2026

Note 54. Other Statutory Information (Contd..)

l) The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

m) 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

n) 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.

o) The Company has made provision as required under applicable law or accounting standards, for material forseeable losses,if any,on long term contracts including derivative contracts.

p) The Company has used the accounting software for maintaining its books of accounts which has a feature of audit trail (edit log) facility. Further the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and the Company did not come across any instances of audit trail feature being tampered with.

q) The Company has, in all material aspects, an adequate internal financial control system over financial reporting and such financial controls over financial reporting were operating effectively as on 31st March 2026.

r) In the opinion of the Board of Directors, the assets listed under the heads "Non-Current Assets" & "Current Assets" (other than Tangible & Intangible Assets) as stated in Note 7 to 16 of the Balance Sheet, have a value on realisation in the ordinary course of business not lesser than the amount being stated at reporting date.

55. Previous years figures have been regrouped and classified wherever necessary to conform to the current year presentation.

56. Figures in brackets denote negative figures.

Corporate overview and Material Accounting Policies	1-3
Notes to the Financial Statements	4-56

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M	**SHANKAR NATARAJ**	**HARIKUMAR A**	**JOSE V J**	**Dr HARIKRISHNAN S**
Company Secretary	Chief Financial	Chief Executive	Chairman	Director
M.No. A41969	Officer	Officer	DIN-08444440	DIN-10221559

For KP KANCHAN & CO
Chartered Accountants
FRN - 027635S

C.A. K Padmanabha Kanchan
Proprietor
M.No 201382
UDIN: 26201382LFCRYI8500
Place :Udupi
Dated: 24-04-2026

NOTICE

Notice is hereby given that the 42nd Annual General Meeting ("AGM") of the Members of Udupi Cochin Shipyard Limited (Udupi-CSL) will be held at 10:45 hrs. on Tuesday, September 15, 2026 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business

1. To consider and adopt the audited financial statements as on March 31, 2026, and the Reports of the Board of Directors and Auditors' thereon.

2. To appoint a Director in place of Dr. Harikrishnan S (DIN: 10221559), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri Rajesh Gopalakrishnan (DIN: 09576336), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.

4. To authorize 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

5. 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 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000 (Rupees Seventy-Five Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals and travel/ lodging for conduct of audit 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 year ending March 31, 2027."

"**RESOLVED FURTHER THAT** any one of the Directors or the Key Managerial Personnel of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

By the Order of the Board of Directors
For Udupi Cochin Shipyard Limited

Vaasu
Company Secretary
M. No. A76813

Udupi
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 and the MCA Circulars, the 42nd 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 Members 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 brief details of the Directors, who are seeking re-appointment, are annexed to this Notice as per the requirements of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

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. Such Members are requested to send to the Company through e-mail at secretary@udupicsl.com, a certified copy of the Board Resolution or Power of Attorney or any other instrument authorizing their representative(s) to attend and vote on its behalf at the AGM.

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 the Company. 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@udupicsl.com. Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website at https://udupicsl.com/ and the website of the holding company Cochin Shipyard Limited at https://cochinshipyard.in/.

7. The registers maintained under the Companies Act, 2013 and all documents referred to in the Notice 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 email to secretary@udupicsl.com.

8. The AGM is proposed to be held at a shorter notice. The request, pursuant to Section 101 of the Companies Act, 2013, for consenting to conduct the AGM at a shorter notice is enclosed along with this Notice and the AGM will be held only if the consent is received from all the Members entitled to vote at the AGM.

9. The instructions for joining the AGM through VC/ OAVM is as follows:

   (a) Members and other invitees can attend the AGM through Microsoft Teams Digital Meeting Platform by clicking the below link.

   Link for attending the 42nd AGM of Udupi Cochin Shipyard Limited

   Meeting ID: 465 232 492 413 985

   Passcode: qn99Xm3Q

   (b) The facility for joining the AGM through VC/ OAVM shall open 15 minutes before the time scheduled for the AGM.

   (c) For any assistance for participating in the AGM, Members can contact the Company Secretary at 0820 2912137 or send an email to secretary@udupicsl.com.

   (d) The designated e-mail id for casting the votes in case of a poll is secretary@udupicsl.com.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

The Board at its 38th Meeting (post CIRP) held on July 24, 2026 has appointed M/s. BBS & Associates, Cost Accountants, Kochi (Firm Registration No. 00273), as the Cost Auditors of the Company for the financial year 2026-27 at a remuneration of ₹ 75,000 (Rupees Seventy-Five Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals and travel/ lodging for conduct of audit. As per Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditors is required to be ratified by the Members of the Company.

The Board accordingly recommends the resolution set out in item no. 5 of the Notice for the approval of the Members of the Company by way of an ordinary resolution.

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. 5 of the Notice.

By the Order of the Board of Directors
For Udupi Cochin Shipyard Limited

Vaasu
Company Secretary
M. No. A76813

Udupi
September 04, 2026

Registered Office
S.No.377, Pazhamathur Village
Pukathurai Post, Madurantakam Taluk
Kancheepuram – 603 116
CIN: U27209TN1984GOI010994
E-mail: secretary@udupicsl.com
Website: https://udupicsl.com/

CONSENT OF SHAREHOLDER

[Pursuant to Section 101 of the Companies Act, 2013]

To
The Board of Directors
Udupi Cochin Shipyard Limited
S.No.377, Pazhamathur Village
Pukathurai Post, Madurantakam Taluk
Kancheepuram – 603 116

I, ___________________________, son/daughter of ___________________________________, resident of _______________________ ____ ____, holding ___________ equity shares of ₹ 10 each in the Company, hereby give consent, pursuant to Section 101 of the Companies Act, 2013, to hold the 42nd Annual General Meeting (AGM) of the Company on September 15, 2026 at a shorter notice.

Signature:

Name:

Place:

Date:

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THIS MEETING

[Pursuant to the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI)]

Name of the Director	Dr. Harikrishnan S
DIN	10221559
Age & Date of Birth	57 Years May 29, 1969
Qualifications	Dr. Harikrishnan S holds a Bachelor of Technology degree in Mechanical Engineering, a Master of Technology degree in Production Engineering, a Master of Business Administration degree in International Business and a Doctor of Philosophy (PhD) degree in Mechanical Engineering.
Experience	Dr. Harikrishnan S is the Director (Operations) of Cochin Shipyard Limited (CSL), the Holding Company. He has around three decades of experience in shipbuilding and ship repair across areas such as design, inspection & quality control, production, procurement, planning & project management. He is also a Director of Hooghly Cochin Shipyard Limited (Hooghly-CSL), the other wholly owned subsidiary of CSL and the Chairman of Green Maritime Propulsion Private Limited, a JV Company formed between CSL and HBL Engineering Limited.
Terms and conditions of re-appointment	Dr. Harikrishnan S was appointed as one of the Directors nominated by CSL. Approval of the Members is sought for continuation of office of directorship of Dr. Harikrishnan S till such time his nomination is withdrawn. As per the terms of re-appointment, he is liable to retire by rotation as per the provisions of the Companies Act, 2013.
Details of remuneration sought to be paid on re-appointment and last drawn (FY 2025-26)	Nil
Date of first appointment on the Board	July 23, 2025
No. of shares held in the Company	10 (Shares are held on behalf of CSL)
Relationship with other Directors and Key Managerial Personnel	Nil
No. of Board Meetings attended during the Financial Year 2025-26	4/5
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	(1) Cochin Shipyard Limited (2) Hooghly Cochin Shipyard Limited (3) Green Maritime Propulsion Private Limited
Membership/ Chairmanship of Committees in other Public Limited Companies*	Cochin Shipyard Limited (a) Stakeholders Relationship Committee, Member (b) Risk Management Committee, Member (c) Corporate Social Responsibility and Sustainable Development Committee, Member

Name of the Director	Shri Rajesh Gopalakrishnan
DIN	09576336
Age & Date of Birth	55 Years July 05, 1971
Qualifications	Shri Rajesh Gopalakrishnan holds a Bachelor of Technology degree in Mechanical Engineering and a Master's degree in Business Administration with specialisation in International Marketing.
Experience	Shri Rajesh Gopalakrishnan is the Director (Technical) of Cochin Shipyard Limited (CSL), the Holding Company. He has around three decades of experience in the field of shipbuilding, ship repairs & conversion, covering the entire spectrum of business strategy, business build, estimation, contract management, procurement, planning, project management, invoicing, after sales and customer relations. He is also a Director in Hooghly Cochin Shipyard Limited (Hooghly-CSL), the other wholly owned subsidiary of CSL, where he was the first CEO.
Terms and conditions of re-appointment	Shri Rajesh Gopalakrishnan was appointed as one of the Directors nominated by CSL. Approval of the Members is sought for continuation of office of directorship of Shri Rajesh Gopalakrishnan till such time his nomination is withdrawn. As per the terms of re-appointment, he is liable to retire by rotation as per the provisions of the Companies Act, 2013.
Details of remuneration sought to be paid on re-appointment and last drawn (FY 2025-26)	Nil
Date of first appointment on the Board	October 30, 2024
No. of shares held in the Company	10 (Shares are held on behalf of CSL)
Relationship with other Directors and Key Managerial Personnel	Nil
No. of Board Meetings attended during the Financial Year 2025-26	7/7
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	(1) Cochin Shipyard Limited (2) Hooghly Cochin Shipyard Limited
Membership/ Chairmanship of Committees in other Public Limited Companies*	Cochin Shipyard Limited (a) Stakeholders Relationship Committee, Member (b) Risk Management Committee, Member (c) Corporate Social Responsibility and Sustainable Development Committee, Member

Notes

UDUPI COCHIN SHIPYARD LIMITED

Registered Office

S.No.377, Pazhamathur Village
Pukathurai Post, Madurantakam Taluk
Kancheepuram, Tamil Nadu - 603 116

CIN: U27209TN1984GO1010994