माझगाव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED
CIN: L35100MH1934GOI002079
(A Govt. of India Undertaking)
डॉक यार्ड रोड, मुंबई-400010
Dockyard Road, Mumbai 400 010
Certified: ISO 9001-2015

संदर्भ क्रमांक :
Ref: SEC/BSENSEDISCL/26/2026-27

दिनांक :
Date : 04 August 2026

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai– 400 001
Scrip Code: 543237

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: MAZDOCK

<u>Subject: Annual Report for the Financial Year 2025-26</u>

Dear Sir/ Madam,

This is to inform that pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2025-26.

The aforesaid document is also available on the website of the Company at https://mazagondock.in and is being sent to all eligible shareholders of the Company whose email addresses are registered with the Company/ RTA or Depositories.

Further, pursuant to Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter providing the web-link of the Annual Report, is being sent to those members who have not registered their e-mail addresses.

This is for your information and record.

Thanking You,
Yours Faithfully,
For MAZAGON DOCK SHIPBUILDERS LIMITED
Lalatendu Acharya
Digitally signed by Lalatendu Acharya
Date: 2026.08.04 23:16:42 +05'30'
Lalatendu Acharya
Company Secretary and Compliance Officer

Encl: as above

माझगांव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED

A WIND IN THE SAIL
Powering India's Maritime Future

Ship & Submarine
Builders to the Nation

Annual Report 2025-26

MISSION:

To deliver quality ships in time within budgeted costs and be a World leader in Warship building.

VISION:

MDL shall strive to be a progressive and profitable shipyard building World Class Warships and Submarines using State-of-the-Art Technology.

OBJECTIVES:

- To progressively reduce overhead expenditure and operational costs.
- To attain technological leadership in warship and submarine construction through in house R&D activities and partnership with academic institutions.
- To enhance the productivity level by optimising internal processes through benchmarking and innovative practices.
- To take initiatives for growth by undertaking capacity augmentation, technological upgradation and modernisation of facilities.

- To enhance employee capabilities and competencies in line with applicable DPE Guidelines.
- To maintain consistent quality and ensure a high degree of Customer Satisfaction.
- To undertake Corporate Social Responsibility and Sustainability initiatives in accordance with applicable Government guidelines with a focus on sustainable and inclusive development.
- To promote indigenisation in line with 'Make in India' policy.
- To adhere to project timelines and ensure timely delivery of quality ships and submarines.
- To promote export of MDL products in international markets.

माझगांव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED

Papers to be laid on the table
of Lok Sabha / Rajya Sabha

Authenticated
Raksha Rajya Mantri

MDL at a Glance

₹12,840 Cr
Revenue FY26

₹2,436 Cr
PAT FY26

₹60.38
EPS — Basic & Diluted

₹18.12
Dividend / Share

808
Vessels Delivered from 1960

4,17,600
DWT Total shipbuilding Capacity

2
Ships Delivered during FY 26

Capacity
to build 11 Submarines and 10 Warships concurrently

India's only shipyard to have built Destroyers, conventional Submarines for the Indian Navy & manufactured Corvettes in India.

FY 2025-26 was a year without precedent in MDL's history. Revenue crossed ₹12,839 crore. Two Nilgiri Class frigate platforms with 75% indigenous content were delivered to the Indian Navy in a single financial year, for the very first time. MDL completed its first international acquisition, bringing Colombo Dockyard PLC under its ownership and extending India's shipbuilding presence into the Indian Ocean. And MDL signed a contract for India's first Methanol Dual Fuel Platform Supply Vessel, a clear signal of the yard's intention to lead, not follow, the maritime energy transition.

KEY HIGHLIGHTS

1774
Year of Establishment

250+
Years of shipbuilding

June 2024
Navratna Status Conferred

₹8,843.16 Cr
Net Worth – Standalone

~₹12878.06 Cr
Robust liquidity & strong financial position

Zero-Debt
Company

16.42%
Operating Margin

37.43%
ROCE

30.40%
ROE

₹730.93 Cr
Total Dividend

34
Vessels Under Active Construction

5,770
Total Workforce (31 March)

242
Women Employees

₹186.72 Cr
R&D Expenditure

7.67%
R&D as % of PAT

₹46.81 Cr
CSR Expenditure

0.13
Lost Time Injury Rate

₹2,499.53 Cr
Contribution to Exchequer-Taxes & Duties

TABLE OF CONTENTS

Corporate Overview

Forward-looking Statement: Certain statements in this Report regarding our business operations may be forward looking. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘plans’, ‘outlook’ and other words of similar meaning in connection with a discussion of future operating or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

Board of Directors

Chairman & Managing Director

Capt. Jagmohan (Retd.)

Government Nominee Director

Shri. Dinesh Mahur
Additional Secretary (DP), MoD
w.e.f. 30.04.2026

Functional Directors

Shri. Biju George*
Director (Operations)

Cdr. Vasudev Puranik IN (Retd.)
Director (Corporate Planning & Personnel)

Shri. Ruchir Agrawal
Director (Finance) & CFO

Cmde. S B Jamgaonkar (Retd.)*
Director (Technical)

Independent Director

Shri. Kedarnath Gupta
Independent Director

** Pursuant to organisational restructuring of the company, Director (Shipbuilding) was re-designated as Director (Operations) and Director (Submarine & Heavy Engineering) as Director (Technical) w.e.f. 12 May 2026.*

Past Directors

Shri. Rajeev Prakash
JS(NS), MoD (DDP)
Government Nominee Director
till 30.04.2026

Shri. Sambasiva Rao Chandu
Independent Director
till 22.01.2026

Shri. Dattaprasad P Kholkar
Independent Director
till 22.02.2026

Dr. Vivek Atul Bhuskute
Independent Director
till 20.04.2026

Smt. Veni Thapar
Independent Director
till 20.04.2026

Company Secretary

Shri. Lalatendu Acharya
w.e.f. 01.06.2025

Smt. Madhavi Kulkarni
till 31.05.2025

Statutory Auditor

Sarda & Pareek LLP.,
Chartered Accountants

Secretarial Auditor

SVJS & Associates,
Company Secretaries

Banker

State Bank of India

Registered Office

Mazagon Dock Shipbuilders Limited
Dockyard Road,
Mumbai - 400 010.
CIN: L35100MH1934GOI002079
Website: https://mazagondock.in
Email: investor@mazdock.com
Tel: +91 22 2376 2000/3000 /4000

Registrar & Transfer Agent

M/s Alankit Assignments Limited
205-208 Anarkali Complex,
Jhandewalan Extension,
New Delhi – 110055.
Website: www.alankit.com
Email: rta@alankit.com
Tel: +91 11-42541100; 42541234
Fax: +91 11-23552001

SENIOR MANAGEMENT As on 31.07.2026

Shri. RAJIV RANJAN KUMAR
Executive Director (P)

Shri. VINOD A
Executive Director (P&PC)

Shri. ARUN KUMAR CHAND
Executive Director (HR)

Shri. THOMAS E R
Executive Director (QA)

Shri. CHANDRA VIJAY SRIVASTAVA
General Manager (F-CA)

Shri. SAURABH KUMAR GUPTA
General Manager (F-P&S)

Shri. SANJAY KUMAR SINGH
General Manager / (BD&C)

Shri. DHANARAJ P
General Manager (R&R)

Shri. SANJAY KUMAR
General Manager (TS)

Shri. VINCENT MARK D'SOUZA
General Manager (Maintenance)

Shri. BINAY SINHA
General Manager (CP)

Shri. M C JAYAPRAKASH
General Manager (Indigenisation and R&D)

Shri. HARE RAM SINGH
General Manager (Material)

Shri. VENKATESAN PILLAY
General Manager (Production)

Shri. ASIF IQBAL QURAISHI
General Manager (OTS)

Shri. SHYAMACHARAN MANDAL
General Manager (Commercial)

Shri. M A HIDAYATHULLAH
General Manager (F-NP)

Shri. P SRINIVAS RAO
General Manager (Design)

Shri. RAJESH BHARDWAJ
General Manager (CMD Secretariat)

Shri. SHRINIWAS SINHA
General Manager (HR)

Smt. DEVI NAIR
General Manager (P-L&Wn/OF)

Smt. ALICE KURIAN
General Manager (P&PC)

Shri. DEBASISH HAZRA
General Manager (P-EPE)

Shri. RAJ PRAKASH NEGI
Additional General Manager (Legal Advisor)

Shri. AVADHOOT KARANJKAR
Additional General Manager (HOD-IA)

Shri. LALATENDU ACHARYA
Company Secretary & Compliance Officer

MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR

Dear Shareholders,

It is my privilege to present to you the Annual Report of Mazagon Dock Shipbuilders Limited (MDL) for FY 2025–26. The year under review has been one of extraordinary significance for the Company, marked by continued operational excellence, landmark vessel deliveries, a transformative international acquisition, and sustained financial outperformance. We stand today as a stronger, more globally oriented, and deeply purposeful enterprise.

Financial Performance that Reflects Capability and Discipline

FY 2025–26 was another year of strong financial progress, building on the momentum established in prior years. Our sustained focus on project execution, milestone-driven revenue recognition, and cost discipline has continued to yield robust results across all key financial metrics.

Revenue from Operations grew to ₹12,839.64 crore in FY 2025–26, compared to ₹11,431.88 crore in FY 2024–25, reflecting continued execution velocity across our defence and commercial shipbuilding programmes. Total Income for the year stood at ₹13,982.39 crore against ₹12,591 crore in the previous year.

Our EBITDA for the year grew to ₹3,402.30 crore, compared to ₹3,248.46 crore in FY 2024–25, reflecting our ability to manage operational costs while scaling revenues. Profit Before Tax stood at ₹3,250.48 crore against ₹3,109.20 crore in FY 2024–25. Profit After Tax for the year was ₹2,435.77 crore, compared to ₹2,324.88 crore in the previous year, a fifth consecutive year of record profitability.

Your Company's Net Worth strengthened to ₹8,843.16 crore as at 31 March 2026, compared to ₹7,180.84 crore at the close of FY 2024–25, underpinning our strong balance sheet and capacity for sustained investment. MDL continues to be a zero-debt enterprise, with our capital requirements fully met through internal accruals.

Reflecting our commitment to rewarding shareholders, the Board has recommended a final dividend of ₹4.62 per equity share of ₹5 face value for FY 2025–26. This is in addition to the interim dividend of ₹13.50 per share paid during the year, taking the total dividend for FY 2025–26 to ₹18.12 per share.

India's Maritime Opportunity: A Favourable Strategic Environment

To appreciate MDL's achievements during FY 2025–26 and the opportunities ahead, it is important to view them in the larger context of India's evolving maritime landscape. With its strategic location in the Indian Ocean Region, extensive coastline, and growing economic aspirations, the maritime domain continues to play an increasingly important role in India's journey towards greater security, connectivity, and economic growth.

India's continued focus on self-reliance, indigenous capability development, and strengthening the domestic defence manufacturing ecosystem has provided a strong impetus to the growth of the shipbuilding sector. The emergence of a stronger maritime ecosystem, supported by shipyards, industries, MSMEs, technology partners, and research institutions, is enabling greater capability creation within the country.

For MDL, this favourable maritime environment provides an opportunity to build upon our rich legacy and decades of experience in defence shipbuilding. As a premier defence shipyard of the nation, we remain committed to delivering complex platforms with engineering excellence, innovation, and execution discipline, while continuing to contribute to India's maritime aspirations and create long-term value for our stakeholders.

Landmark Deliveries: P17A Stealth Frigates

FY 2025–26 witnessed two momentous deliveries under Project 17A, our prestigious stealth frigate programme for the Indian Navy. INS Udaygiri, the second frigate of the Nilgiri class, was delivered on 1 July 2025 and was subsequently commissioned on 26 August 2025. INS Taragiri, the third P17A frigate, was delivered on 28 November 2025. These deliveries, following the historic delivery of INS Nilgiri in December 2024, affirm MDL's position as the lead shipyard for India's most advanced surface combatant programme. The fourth P17A frigate, INS Mahendragiri, was delivered on 30 April 2026 after successful sea trials. Our teams have demonstrated that India possesses the engineering depth, project management capability, and industrial infrastructure to indigenously design, build, and deliver frontline naval combatants of the highest order.

A Historic International Milestone: Acquisition of Colombo Dockyard PLC

Perhaps the most defining strategic development of FY 2025–26 was MDL's successful acquisition of a 51% controlling stake in Colombo Dockyard PLC (CDPLC), a leading Sri Lankan public limited company incorporated in 1974 and listed on the Colombo Stock Exchange, with operations spanning shipbuilding and ship repair. With the acquisition concluded during the year, CDPLC has become a subsidiary of the Company with an investment of ₹236.95 Cr.

This acquisition marks MDL's first international foray and a seminal step in our journey from a national defence shipbuilder to a regional maritime enterprise. CDPLC's strategic location, proven capabilities, and strong presence in the South Asian shipping ecosystem are deeply complementary to our own strengths. Through this partnership, we intend to expand our ship repair and commercial shipbuilding capabilities, deepen our engagement with regional and international customers, and create a platform for long-term value creation in the Indian Ocean Region.

Growing Order Book and Robust Execution Pipeline

MDL closed FY 2025-26 with a strong and diversified order book, providing healthy revenue visibility over the coming years. Alongside Project 17A, the Company continued the successful execution of multiple prestigious programmes for the Indian Navy and the Indian Coast Guard.

During the year, significant construction milestones were achieved across key projects, including the Next Generation Offshore Patrol Vessel (NGOPV) programme and the Fast Patrol Vessel (FPV) programme for the Indian Coast Guard, with multiple keel-laying and plate-cutting ceremonies conducted. The Multi-Purpose Vessel programme for Navi Merchants, Denmark, also progressed well, achieving keel laying milestones for the first and second vessels. In addition, Offshore Oil & Gas platforms for ONGC are also being executed by your Company.

In a significant step towards strengthening MDL's commercial shipbuilding and green maritime capabilities, the Company secured a contract from the Shipping Corporation of India (SCI) for the construction of a Methanol-Fuelled Platform Supply Vessel (PSV), the first vessel of its kind to be built in India. This project positions MDL at the forefront of green maritime innovation and is aligned with the objectives of Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047.

Indigenisation as a Strategic Imperative

Indigenisation remains one of MDL's most enduring contributions to national defence and to the Atmanirbhar Bharat mission. The indigenous content in the vessels built by MDL has risen from 42% in the P15 Delhi Class Destroyers constructed in the 1990s to 75% in the P17A Nilgiri Class Frigates. We have successfully indigenised large number of items and equipment through Indian industries, predominantly MSMEs. These efforts are not merely about cost efficiency; they represent a strategic security dividend, reducing import dependence, building an indigenous defence industrial base, and securing critical supply chains for national defence programmes. The incremental indigenisation will further result in increase in indigenous content, incremental from 75% onwards in destroyers and frigates.

ESG Commitment and Sustainable Practices

Environmental, Social and Governance principles are embedded in our operating philosophy. On the environmental front, we continued to expand our renewable energy footprint, with a 1,375 kW rooftop solar plant, with installation currently underway. Our facilities deploy energy-efficient LED light fittings, variable frequency drives, turbo Ventilation fans and inverter-based welding equipment, IE-3 level energy efficient transformers, motors and 5 star rated ACs.

During FY 2025–26, our CSR initiatives touched multiple dimensions of community welfare, including strengthening of infrastructure at Govt. Hospitals and healthcare support for children suffering from congenital heart disease, support for armed force veterans & their dependents, promotion of education, and livelihood development programmes for underprivileged communities.

Our strong governance framework is underpinned by compliance with the DPE Guidelines on Corporate Governance for CPSEs and SEBI (LODR) Regulations, 2015.

MDL holds certifications under ISO 14001:2015 for Environmental Management Systems, ISO 45001:2018 for Occupational Health and Safety Management Systems, and ISO/IEC 27001:2022 for Information Security Management Systems, reflecting our multi-dimensional commitment to global operational standards.

Preparedness and Promise for the Future

Looking ahead, MDL's future is anchored in four strategic pillars: continued excellence in defence shipbuilding project execution, accelerated development of our export and commercial shipbuilding business, technological modernisation through digital transformation, automation, and green ship technologies, and the realisation of our international growth vision through the Colombo Dockyard platform. The Nhava Greenfield facility, along with enhanced ERP systems and advanced inspection and fabrication tools, will further strengthen our production throughput and improved project cycle times, in the years ahead.

The trilateral MoU among MDL, the Indian Navy, and the Brazilian Navy for structured information exchange on the maintenance of Scorpene class submarines and other military ships is a further affirmation of the trust that MDL commands internationally and the growing interest in India's defence shipbuilding capabilities.

To all our valued stakeholders — the Government of India, the Indian Navy, the Indian Coast Guard, our employees, business partners, vendors, customers, regulators, and shareholders — I extend my deepest gratitude for your steadfast trust and support. It is your confidence that energises us as we continue to serve the nation with excellence, integrity, and purpose. MDL is not merely building vessels, but we are also building a more secure, self-reliant, and strategically strong India.

Jai Hind!

Warm Regards,

Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN: 08630668

BOARD OF DIRECTORS

Capt. Jagmohan (Retd.)

Chairman & Managing Director

Capt. Jagmohan (Retd.) was appointed as Chairman & Managing Director on the Board of the Company with effect from 21 April 2025. He is also the Chairman of Colombo Dockyard PLC, Sri Lanka. A Naval Architect by profession, he graduated in Naval Architecture & Shipbuilding from Cochin University of Science & Technology and holds a post-graduate qualifications in Naval Construction and Ocean Engineering from IIT Delhi and IIT Kharagpur, respectively. He also undertook advanced academic research at RWTH Aachen University, Germany.
He served for 25 years in the Indian Navy, holding key appointments in the Warship Design Bureau and Naval Dockyard, Mumbai, and contributed extensively to the design, construction and refit of frontline warships, submarines and the Indigenous Aircraft Carrier programme. Prior to joining MDL, he served as Director (Corporate Planning, Projects & Business Development) and Director (Operations) – Additional Charge at Goa Shipyard Ltd., where he drove major growth in shipbuilding, exports, indigenisation and strategic business development. He also served as Chief General Manager (Design) at Garden Reach Shipbuilders & Engineers Ltd., Kolkata where he led the design and execution of several complex warship programmes. Under his leadership, MDL achieved its highest ever turnover and profitability in FY 2025-26, while also strengthening its focus on R&D, indigenisation and future-ready shipbuilding capabilities. During this period, MDL also executed the first overseas acquisition by an Indian Defence PSU through the acquisition of Colombo Dockyard PLC and initiated a transformative greenfield mega shipyard project aligned with the Maritime Amrit Kaal Vision 2047.

Shri. Dinesh Mahur

Additional Secretary (DP), MoD

Shri Dinesh Mahur is Additional Secretary in the Department of Defence Production, Ministry of Defence, Government of India. He is a 1992 batch officer of the Indian Telecom Service (ITS). In addition to his assignments in his parent department, i.e., the Department of Telecommunications, he has served in several key organisations. He served as Director in the Ministry of Home Affairs from 2011 to 2016, Additional Director General in Prasar Bharati from 2016 to 2020, and Joint Secretary in the Ministry of Mines during 2024–25, prior to his current assignment in the Ministry of Defence. He is an engineering graduate from the National Institute of Technology, Allahabad (1991), holds an M.A. in Social Studies from the International Institute of Social Studies, Erasmus University, The Hague, Netherlands (2014), and a Post Graduate Diploma (PGDM) in Public Policy and Management from the Management Development Institute, Gurugram (2024). He has extensive experience in the telecommunications sector and has played a significant role in establishing telecom companies with investments from Indian Public Sector Undertakings in countries including Nepal and Mauritius, where he also held leadership positions. His diverse experience across telecommunications, public policy and strategic administration brings valuable governance and policy perspectives to the Board. He serves as a government nominee director on the Board of the Mazagon Dock Shipbuilders Limited, representing the Ministry of Defence, Government of India.

Shri. Biju George

Director (Operations)

Shri Biju George currently serves as the Director (Operations) of Mazagon Dock Shipbuilders Limited (MDL) and brings over three decades of experience in the offshore and shipbuilding sector. He oversees the construction of Naval ships and is also responsible for Refits of Naval and Coast Guard Vessels, Exports, Research and Development, Innovation and Artificial Intelligence initiatives. He is a graduate in Engineering from NSS College of Engineering, Palakkad and holds a post-graduate degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur. Prior to his current office, he was the project Superintendent of the prestigious P17A Frigate Programme for the Indian Navy. Prior to this, he was heading the Shipbuilding Design Department of MDL and has over three decades of experience in Design and Construction of frontline warships, including Missile Destroyers and Stealth Frigates. He has chaired several key Committees at MDL relating to Capex projects, diversification initiatives, revival of the ship-repair and refit vertical. Under his leadership, MDL has delivered eight surface combatants viz. four Missile Destroyers and four Frigates to the Indian Navy. He is also a Member of the Stakeholders' Relationship Committee (SRC) and Risk Management Committee (RMC) of the Board of MDL, contributing to the Company's governance and strategic oversight.

He spearheaded the acquisition of Colombo Dockyard PLC, Sri Lanka by MDL and he is currently serving as a Board member of Colombo Dockyard PLC (CDPLC). a subsidiary of MDL.

Cdr. Vasudev Puranik, IN (Retd.)

Director (Corporate Planning & Personnel)

Cdr. Vasudev Puranik, IN (Retd.), was appointed as Director (Corporate Planning & Personnel) of Mazagon Dock Shipbuilders Limited (MDL) on 9 June 2022. He has been associated with the Company since June 2010. An alumnus of INS Shivaji, he holds a B.Tech. (Mechanical) degree from Jawaharlal Nehru University, New Delhi, and a Master's degree in Engineering from the University of Pune.

Prior to joining MDL, he served in the Indian Navy for over 22 years, holding several key appointments both afloat and ashore, including onboard INS Rana, INS Nishank and INS Mysore, as well as assignments in the Directorate of Naval Design, Gas Turbine Overhaul Centre, Visakhapatnam, Directorate of Ship Production and Naval Dockyard, Mumbai. He has received commendations from the Flag Officer Commanding-in-Chief, Western Naval Command, in recognition of his distinguished service. Before his appointment as Director, he served as Project Superintendent of MDL's prestigious P-75 Scorpene Submarine Construction Programme.

As Director (Corporate Planning & Personnel), he provides strategic leadership in the areas of corporate planning, human resource management and organisational development, contributing to MDL's long-term growth, organisational excellence and strategic transformation.

Shri. Ruchir Agrawal

Director (Finance) & CFO

Shri Ruchir Agrawal was appointed as Director (Finance) of Mazagon Dock Shipbuilders Limited (MDL) with effect from 7 March 2025. He also serves as the Chief Financial Officer (CFO) and Chief Information & Security Officer (CISO) of the Company. A Fellow Member of the Institute of Cost Accountants of India and the Institute of Chartered Shipbrokers, London, he possesses over 32 years of rich and diverse experience across the Oil & Gas and Defence sectors, encompassing Corporate Finance, Treasury, International Trade, Business Development, Research & Development, Corporate Audit and strategic management.

At MDL, he has made significant contributions to strengthening financial governance, investment management and strategic initiatives. He has been instrumental in the revision and implementation of the Company's Investment Policy and in driving cost optimisation and cost reduction initiatives through enhanced financial scrutiny, expenditure control measures and process improvements. He is also a Member of the Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee (SRC) and Risk Management Committee (RMC) of the Board of MDL, contributing to the Company's governance and strategic oversight.

Prior to joining MDL, Shri Agrawal served as Executive Director (Finance) at Indian Oil Corporation Limited (IOCL). During his distinguished career, he has held key leadership positions across diverse functional areas and served on the Boards of several joint ventures and subsidiaries in India and abroad, providing strategic direction and governance oversight. He has also contributed to strategic initiatives relating to corporate restructuring, capital allocation and value creation.

In addition to his responsibilities at MDL, Shri Agrawal serves as a Non-Executive, Nominee Director on the Board of Colombo Dockyard PLC, representing Mazagon Dock Shipbuilders Limited.

BOARD OF DIRECTORS

Cmde. S B Jamgaonkar (Retd.)

Director (Technical)

Cmde S. B. Jamgaonkar (Retd.) joined Mazagon Dock Shipbuilders Limited (MDL) in September 2023 as Executive Director (Technical East Yard) on superannuation from the Indian Navy. Prior to his appointment as Director (Submarine & Heavy Engineering), he served as Executive Director (Services) at MDL. Pursuant to the Company's internal reorganisation, he was redesignated as Director (Technical). A graduate in Mechanical Engineering from Birla Vishvakarma Mahavidyalaya Engineering College, Vallabh Vidyanagar, Anand (Gujarat), he completed a Post Graduate Course in Nuclear Technology from BARC, Mumbai, after joining the Indian Navy. He served in the Submarine Arm of the Indian Navy for about 29 years in various operational and shore-based assignments. During his tenure at MDL, he led key projects relating to P75 Additional Submarines, P75 India, Air Independent Propulsion (AIP) Plug integration for Scorpene Submarines and indigenisation of submarine equipment.

As Director (Technical), he provides strategic leadership in the areas of design and engineering, research & development, indigenisation, yard infrastructure, machinery and utilities, capability development, and new product development.

Shri. Kedarnath Gupta

Independent Director

Shri Kedarnath Gupta was appointed as an Independent Director on the Board of Mazagon Dock Shipbuilders Limited (MDL) with effect from 21 May 2025. He is a graduate in Science and Law and has been associated with public service since 1989. He is currently serving as Officer in Charge of Chhattisgarh Rajya Sahakari Bank (Apex Bank).

He has served as Vice Chairman of the Chhattisgarh Tourism Board with the rank of State Minister on two occasions, in 2008 and 2016. During his public service career, he has been associated with various initiatives in the areas of public administration, cooperative institutions, tourism, education, community development and social welfare.

His experience in public administration, institutional governance and community development brings valuable perspectives to the Board of the Company.


MAZAGON DOCK LIMITED
SHIP BUILDERS TO THE NATION
CRANE CAPACITY - 300TON
AUXILIARY HOIST-50TON
RETRACTABLE ROOF
MODULE WORKSHOP

ABOUT THE COMPANY

Building maritime capability for national defence and economic advancement

Legacy

We have consistently revolutionised maritime services with a distinguished history spanning more than two centuries.

Mazagon Dock Shipbuilders Limited (MDL), known as the 'Ship & Submarine Builders to the Nation,' is one of India's premier defence shipyards, operating under the Ministry of Defence. We specialise in constructing, repairing, and refurbishing warships and submarines at our facilities in Mumbai and Nhava. Since our inception as a private limited company in 1934, we have rapidly expanded our capabilities, becoming a key player in strengthening national defence. MDL is the lead shipyard for major surface combatants and the only shipyard with two independent submarine assembly and launch lines.


The Hon'ble President of India, Smt. Droupadi Murmu's dived sortie onboard INS Vaghsheer

We are the only Indian shipyard to produce both destroyers and conventional submarines for the Indian Navy and were pioneers in manufacturing Veer & Khukri Class Corvettes.

Our consistent focus on innovation and quality, supported by investments in cutting-edge technologies, has enabled us to deliver a wide array of sophisticated products for both domestic and international clients. In 2006, we received the 'Mini-Ratna-I' status.

MDL was conferred "Navratna" status by the DPE in June 2024. MDL is the 21st PSU, first amongst the government owned shipyards and 3rd amongst Defence PSUs of the country having "Navratna" status.

Our Purpose: Shipbuilder to the Nation

At MDL, we are more than a defence contractor—we are a trusted nation-builder. Guided by the mission to strengthen national security and contribute to economic growth, we design, build, and deliver world-class maritime assets. Our vessels not only defend the nation's shores but also advance its maritime trade, energy security, and industrial innovation.

As the Shipbuilder to the Nation, we build with precision, sail with pride, and serve with unwavering commitment.

For the Indian Navy

Our contributions encompass the entire spectrum of naval warfare capabilities—ranging from cutting-edge stealth technologies and sophisticated underwater systems to advanced surface combat readiness. We have played a pivotal role in the design, construction, and timely delivery of a diverse range of frontline naval assets, demonstrating our engineering precision and project execution excellence.

Our engagements have seen us deliver complex warships and submarines, some of them ahead of time, establishing benchmarks in quality, integration, and operational preparedness. We have also been instrumental in several landmark moments in India's naval history, including the simultaneous commissioning of multiple frontline platforms—each a testament to indigenous shipbuilding capabilities and strategic alignment with the Navy's evolving needs.

For Others

Beyond naval defence, our expertise encompasses a wide range of maritime and offshore engineering solutions. Our track record includes the design and construction of vessels serving commercial, industrial, and civilian applications, spanning cargo, dredging, towing, passenger transportation, and offshore support.

We have also delivered complex marine and offshore structures tailored for the energy sector, including platforms and rigs used in oil and gas exploration. With a history of wide-ranging vessel deliveries, our shipyard continues to meet the demands of clients across diverse sectors in India and internationally, reinforcing our standing as a versatile and reliable provider of maritime solutions.

MARITIME MILESTONES
250 YEARS OF MDL

From a modest dry dock on Mumbai's waterfront in 1774 to India's premier defence shipyard in 2026, MDL's 250-year journey is the story of a nation building its own maritime capability, year by year, ship by ship, and submarine by submarine.

1774
Founded as a small dry dock on Mumbai's Mazagon waterfront.

1934
Incorporated as a private limited company.

1960
Acquired by the Government of India.

1972
Delivered first frigate INS Nilgiri to the Indian Navy.

1984
Commenced submarine construction.

1992

Commissioned first Indian built submarine INS Shalki.

1997

Commissioned first destroyer INS Delhi.

2006

Awarded Miniratna Category I status.

2015

Signed contract to build four Frigates.

2017

Delivered first Scorpene Class submarine INS Kalvari to the Indian Navy.

2020

Successfully listed on BSE & NSE; IPO oversubscribed 157 times.

2021

Delivered two submarines and one destroyer in a single calendar year an MDL record.

2022

Launched a frigate and a destroyer on the same day, a first in Indian naval history.

2023

Launched 4^{th} P17A Stealth Frigate INS Mahendragiri.

Commissioned INS Imphal 3^{rd} P15B Guided Missile Destroyer.

2024

Navratna status conferred
First government-owned shipyard and third Defence PSU to receive this honour.

INS Surat (P15B) and INS Nilgiri (P17A) delivered on the same day.

2025

Delivery of 6^{th} and final Scorpene submarine INS Vaghsheer.

Tri-commissioning - Indian Navy commissioned three frontline combatants on the same day - INS Nilgiri, INS Surat & INS Vaghsheer.

Delivery and Commissioning of INS Udaygiri (2^{nd} P17A Frigate). Was the 100^{th} warship designed by the Warship Design Bureau.

Delivery of INS Taragiri (3^{rd} P17A Frigate).

India–Brazil–MDL tripartite MoU signed.

2026

MDL acquired controlling stake in Colombo Dockyard PLC - first international acquisition in MDL's 250 year history.

Contract signed with SCI for India's first Methanol Dual Fuel PSV.

PRODUCTS & SERVICES

MDL's portfolio spans eight product and service lines: warships, submarines, Coast Guard vessels, export commercial vessels, green ships, offshore projects, ship repair and refit, and global submarine lifecycle support. The breadth of this portfolio is unique in India's shipbuilding landscape.

WARSHIPS FOR THE INDIAN NAVY

MDL is a shipyard with end-to-end capability to build the full spectrum of warships. Under Project P15B, all four Visakhapatnam Class Guided Missile Destroyers were delivered ahead of contractual schedule - a record that stands in Indian naval shipbuilding. Under Project P17A, three of four Nilgiri Class Stealth Frigates (carrying 75% indigenous content, up from 42% in the P15 Delhi Class) have been delivered and commissioned.
INS Mahendragiri, the fourth ship in the Class, has completed D448 final acceptance.

SUBMARINE BUILD AND LIFECYCLE SUPPORT

All six P75 Scorpene Class conventional submarines were delivered between December 2017 and January 2025. MDL remains the only Indian shipyard to have built both German SSK Class and French Scorpene Class submarines, and the only yard providing lifecycle support across both technologies. Current submarine work includes: R&D programmes for Expendable Underwater Target and Mobile Target Emulator. The India–Brazil–MDL MoU positions MDL as a potential global submarine sustainment partner.

INDIAN
COAST GUARD VESSELS

21 vessels under concurrent construction: 1 Training Ship, 6 Next Generation Offshore Patrol Vessels, and 14 Fast Patrol Vessels. Total contract value: ₹2,991 crore. Keel layings for the 1st, 2nd and 3rd NGOPV and three FPVs completed in FY 2025-26. These vessels support coastal patrolling, ocean surveillance, anti-smuggling, anti-piracy, and rescue operations.

EXPORT
COMMERCIAL VESSELS

Six 7,500 DWT multi-purpose Hybrid Powered Vessels for Navi Merchants A/S, Denmark, at USD 85 million (₹715 crore) with an option for four more. Keel layings of the first two vessels completed in April and November 2025. These are dry cargo ships with hybrid propulsion, targeting European commercial shipping markets.

GREEN VESSELS
METHANOL DUAL FUEL

India's first Methanol Dual Fuel Diesel Electric Platform Supply Vessel for the Shipping Corporation of India (3,000 DWT, ₹365 crore). First vessel in SCI's fleet planned to operate on green methanol under the National Green Hydrogen Mission.

OFFSHORE PROJECTS

Three concurrent ONGC contracts at total value of ₹7,597 crore (including taxes), with ₹3,320 crore balance: PRPP for part replacement of subsea pipelines (approx. 44 km). (nearing completion).
DSF II for building six (6) new wellhead platforms and modification of three platforms along with subsea pipe laying of approx. 200 km (two jackets at Nhava approaching completion; four in Vietnam), and PRP 8(a) for subsea pipe laying of approx. 59.8 km. & 17.9 km. of piggyback along with modification to the existing platforms (pipe laying in progress). MDL's Nhava facility with its hard stands, workshops, and waterfront access is the platform for this capability.

SHIP REPAIR AND REFIT

Ship Repair and Refit has emerged as an established and commercially significant business vertical, leveraging the Company's infrastructure, technical expertise and life cycle support capabilities.

Completed repair of one Coast Guard vessel and five commercial vessels in FY 2025-26. Six-month guarantee period of a Coast Guard Project ICGS Saksham is currently in progress.

MDL VALUE CREATION STORY

Mazagon Dock Shipbuilders Limited (MDL) has established an extraordinary value creation story by evolving from a small 18th-century dry dock into India's premier defence shipyard, earning the title "Shipbuilder to the Nation". Over its multi-decade journey, MDL has systematically translated India's policy of strategic self-reliance into a high-yielding, debt-free company.

Evolution & Strategic Milestones

- **1774–1960 (Foundation & Takeover):** Began as a small dry dock in 1774, incorporated privately in 1934, and was acquired by the Government of India in 1960 to seed domestic naval manufacturing.
- **1972–2017 (Building Capabilities):** Delivered India's first domestic frigate (INS Nilgiri) in 1972, commissioned its first indigenous submarine (INS Shalki) in 1992, and delivered its first Scorpène-class submarine in 2017.
- **2020–Present (Public Listing & Boom):** Listed on the NSE and BSE in 2020. Driven by the Atmanirbhar Bharat (self-reliance) initiative.
- 2024–Achieved prestigious Navratna status.
- 2026–Acquisition of 51% stake in Colombo Dockyard PLC.

Core Engines of Financial Value Creation

- Order Book: Propelled by a strong structural upcycle, MDL has historically maintained a robust order book worth tens of thousands of crores, extending a long term revenue visibility. Major pipelines include projects like the advanced Project 75-I submarines and next-generation destroyers.
- Strong Profitability & Efficiency: Achieved healthy operating margins hovering between 15% and 20%+ due to effective cost control. For instance, annual consolidated revenue crossed ₹13,000 crore, generating a Profit After Tax (PAT) of over ₹2,500 crore.
- Zero-Debt & High ROE: Operates with virtually zero-debt and a high return on equity (ROE) averaging around 30%. This has enabled a substantial cash reserve buffer to self-fund major expansions through internal accruals.

Operational Moats & Capabilities

- Infrastructure: The only shipyard in India equipped to build both frontline destroyers and conventional submarines for the Indian Navy. It features two completely independent submarine assembly and launch lines.
- High Indigenisation: Achieved a localisation content level of approximately 75% for its warship builds, insulating it from global supply chain shocks.
- Platform Record: Has successfully built over 800 platforms since 1960, including 31 capital warships and 8 submarines.

Future Horizons & Strategic Pivots

To compound value beyond its primary defence mandate, MDL is actively executing a three-pronged growth strategy:

- The Commercial Shipbuilding Shift: Pivoting aggressively toward global merchant shipbuilding. Key achievements include a multi-million dollar contract with Denmark's Navi Merchants and constructing eco-friendly green vessels, such as India's first methanol dual-fuel platform supply vessel.
- International Acquisitions: Expanding its geopolitical footprint along South Asian shipping corridors by acquiring a 51% majority stake in Colombo Dockyard PLC for ₹236.95 crore approx.
- Capacity Expansion: Executing a capital expenditure programme. This includes acquiring adjacent land parcels to construct larger dry docks, aiming to nearly double its total shipbuilding and vessel repair capacities.
- Socio-Economic Multiplier: MDL serves as a significant economic anchor. Management data reveals that for every direct job created at Mazagon Dock, 6.4 indirect jobs are generated across domestic ancillary and MSME industries.

FINANCIAL CAPITAL

MDL's financial capital story in FY 2025-26 is one of consistent revenue growth, robust unlevered profitability, a balance sheet that grows stronger with every passing year, and a capital allocation discipline that funds growth entirely from within without debt, without dilution, and without compromise on shareholder returns.

Revenue and Income

Standalone Revenue from Operations rose by 12.31% to ₹12,839.64 crore. Total Standalone Income, including Other Income of ₹1,143 crore, was ₹13,982 crore. On a Consolidated basis incorporating Colombo Dockyard PLC from the date of acquisition of the controlling stake, Revenue from Operations was ₹13,006 crore.

Profitability

PBT grew 4.54% to ₹3,250.48 crore and PAT grew by 4.77% to ₹2,435.77 crore. There are no exceptional items in either year. EPS (Basic and Diluted) stood at ₹60.38. On a Consolidated basis, PAT attributable to MDL shareholders was ₹2,583 crore in FY 2025-26, against ₹2,414 crore in FY 2024-25, a 7% growth.

Capital Expenditure and Strategic Investment

Capital expenditure for FY 2025-26 was ₹471.81 crore, directed entirely at infrastructure modernisation: the phased crane replacement programme (65% complete), Nhava Yard development, the new 12,000T Floating Dry Dock, Alcock Yard infrastructure additions, and South Yard Annex preparation. In addition, MDL invested ₹236.95 crore in the equity of Colombo Dockyard PLC, recognised as investment in subsidiary in the standalone balance sheet. All capex and the CDPLC investment are self-funded from operating cashflows. MDL does not leverage its balance sheet to fund growth.

Returns and Shareholder Value

ROCE was 37.43% (FY25: 43.63%) and ROE was 30.40% (FY25: 36.46%). The moderation reflects the rapid expansion of the capital base net worth grew ₹1,662 crore while the numerator (PAT) continued to grow in absolute terms. The underlying return quality, on an entirely unlevered capital base, remains exceptional within the Indian defence PSU sector.

Total dividend for FY 2025-26 was ₹18.12 per equity share a total payout of ₹730.93 crore representing approximately 30% of standalone PAT. The three dividend tranches were: 1st Interim (₹6.00/share, October 2025, ₹242.03 crore); 2nd Interim (₹7.50/share, February 2026, ₹302.54 crore); and Final Dividend of ₹4.62/share (₹186.36 crore, recommended, pending AGM approval). MDL's contribution to the national exchequer through taxes and duties in FY 2025-26 was ₹2,499.53 crore.

Order Book & Revenue Visibility

MDL's outstanding order book as at 31 March 2026 stood at ₹20,535 crore spanning defence warships, submarines, Coast Guard vessels, offshore EPC, export commercial vessels, and India's first green methanol Platform Supply Vessel. The order book as at 31 March 2025 was ₹32,260 crore. The year-on-year reduction reflects the strength of our execution. At ₹20,535 crore as on 31 March 2026, the order book represents approximately 1.6 times annual revenue, providing multi-year forward visibility.

Key Performance Indicators

Profit & Loss

Revenue from Operations

(₹ in Cr)

FY25-26	**12,839.64**
FY24-25	11,431.88
FY23-24	9,466.58
FY22-23	7,827.18
FY21-22	5,733.28

EBITDA

(₹ in Cr)

FY25-26	**3,402.30**
FY24-25	3,248.46
FY23-24	2,549.63
FY22-23	1,511.28
FY21-22	868.33

PBT

(₹ in Cr)

FY25-26	**3,250.48**
FY24-25	3,109.20
FY23-24	2,461.38
FY22-23	1,429.33
FY21-22	786.66

PAT

(₹ in Cr)

FY25-26	**2,435.77**
FY24-25	2,324.88
FY23-24	1,845.43
FY22-23	1,072.72
FY21-22	586.47

Earnings per Share

(in ₹)

FY25-26	**60.38**
FY24-25	57.63
FY23-24	45.75
FY22-23	26.60
FY21-22	14.54

Book Value per Share

(in ₹)

FY25-26	**219.23**
FY24-25	178.02
FY23-24	138.10
FY22-23	103.56
FY21-22	82.34

Balance Sheet

Net worth

(₹ in Cr)

FY25-26	**8,843.16**
FY24-25	7,180.84
FY23-24	5,570.68
FY22-23	4,177.56
FY21-22	3,321.36

Equity Share Capital

(₹ in Cr)

FY25-26	**201.69**
FY24-25	201.69
FY23-24	201.69
FY22-23	201.69
FY21-22	201.69

Gross Block

(₹ in Cr)

FY25-26	**2,139.67**
FY24-25	2,091.00
FY23-24	1,354.70
FY22-23	1,493.57
FY21-22	1,363.62

Return on Capital Employed

(%)

FY25-26	**37.43**
FY24-25	43.63
FY23-24	44.28
FY22-23	34.37
FY21-22	23.90

Operational

Order Book

(₹ in Cr)

FY25-26	**20,535**
FY24-25	32,260
FY23-24	38,561
FY22-23	38,755
FY21-22	45,874

Dividends

(₹ in Cr)

FY25-26	**730.93***
FY24-25	698.05
FY23-24	553.63
FY22-23	321.90
FY21-22	176.08

* includes Final Dividend of ₹ 4.62 per equity share subject to shareholders' approval at the AGM.

KEY RATIOS

Gross Profit: Capital Employed

FY25-26	0.37
FY24-25	0.43
FY23-24	0.44
FY22-23	0.34
FY21-22	0.24

Total Comprehensive Income: Net Worth

FY25-26	0.28
FY24-25	0.32
FY23-24	0.33
FY22-23	0.26
FY21-22	0.18

Gross Margin: Gross Block

FY25-26	1.59
FY24-25	1.54
FY23-24	1.88
FY22-23	1.01
FY21-22	0.64

Revenue from Operations: Gross Block

FY25-26	6.00
FY24-25	5.47
FY23-24	6.99
FY22-23	5.24
FY21-22	4.20

TEN YEARS at a GLANCE (Published)

₹ Crore

PARTICULARS	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
(A) FINANCIAL POSITION:										
Equity Share Capital	201.69	201.69	201.69	201.69	201.69	201.69	201.69	224.10	224.10	249.00
Preference Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	8641.47	6979.15	5368.99	3975.87	3119.67	2717.37	2389.24	2581.79	2198.30	2359.78
Net Worth	8843.16	7180.84	5570.68	4177.56	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78
Gross Block	2139.67	2091.00	1354.70	1493.57	1363.62	1140.39	1113.00	919.12	763.35	844.54
Net Fixed Assets (Net Block)	1431.96	1465.72	837.94	1024.33	964.62	806.85	848.35	753.96	646.37	546.27
Capital Employed	8843.16	7180.84	5570.68	4177.56	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78
Working Capital	6453.89	4890.78	3169.46	1945.34	1345.50	1301.47	1627.49	1907.17	1937.32	2522.63
(B) OPERATING RESULTS:										
Revenue from Operations	12839.64	11431.88	9466.58	7827.18	5733.28	4047.82	4977.65	4649.15	4409.59	3529.74
Value Added	4551.85	4408.91	2838.98	2216.57	1682.48	1179.05	1351.62	1288.82	1358.26	1228.50
Gross Margin (EBIDTA)	3402.30	3228.79	2549.63	1511.28	868.33	824.07	856.96	892.20	750.43	891.01
Gross Profit	3309.62	3113.60	2466.50	1435.70	793.82	764.42	788.27	830.78	700.22	851.62
Profit Before Tax and Exceptional Items	3250.48	3109.20	2461.38	1429.33	786.66	756.06	779.01	826.68	696.37	847.72
Provision for Tax	814.71	784.32	615.95	356.61	186.22	150.35	351.67	307.28	256.57	314.23
Profit for the year	2435.77	2324.88	1845.43	1072.72	586.47	479.57	415.02	519.40	439.80	533.49
Total Comprehensive Income	2437.21	2322.13	1840.87	1072.64	582.41	493.14	397.91	503.92	400.61	525.12
(C) APPROPRIATION:										
Dividend-Equity Shares (Declared)	730.93	698.05	553.63	321.90	176.08	146.02	207.51	155.82	180.00	165.41
Tax on Dividend (Declared)	0.00	0.00	0.00	0.00	0.00	0.00	42.66	32.04	36.65	33.68
(D) RATIOS:										
Gross Profit : Capital Employed	0.37	0.43	0.44	0.34	0.24	0.26	0.30	0.30	0.29	0.33
Total Comprehensive Income : Net Worth	0.28	0.32	0.33	0.26	0.18	0.17	0.15	0.18	0.17	0.20
Gross Margin : Gross Block	1.59	1.54	1.88	1.01	0.64	0.72	0.77	0.97	0.98	1.06
Profit Before Tax : Revenue from Operations	0.25	0.27	0.26	0.18	0.14	0.19	0.16	0.18	0.16	0.24
Revenue from Operations : Gross Block	6.00	5.47	6.99	5.24	4.20	3.55	4.47	5.06	5.78	4.18
Value Added : Revenue from Operations	0.35	0.39	0.30	0.28	0.29	0.29	0.27	0.28	0.31	0.35
Current Ratio	1.42	1.25	1.14	1.08	1.05	1.06	1.10	1.12	1.12	1.17
No. of Employees:	5770	6039	6687	5914	4972	5969	6622	6933	8790	8655
Gross Margin per Employee	0.59	0.53	0.38	0.26	0.17	0.14	0.13	0.13	0.09	0.10

TEN YEARS at a GLANCE (Restated)

₹ Crore

PARTICULARS	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
(A) FINANCIAL POSITION:										
Equity Share Capital	201.69	201.69	201.69	201.69	201.69	201.69	201.69	224.10	224.10	249.00
Preference Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	8641.47	6979.15	5368.99	3975.87	3119.67	2717.37	2379.51	2568.12	2198.43	2375.54
Net Worth	8843.16	7180.84	5570.68	4177.56	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54
Gross Block	2139.67	2091.00	1354.70	1493.57	1363.62	1140.39	1101.17	1006.60	763.35	617.48
Net Fixed Assets (Net Block)	1431.96	1465.72	837.94	1024.33	964.62	806.85	836.35	810.29	646.37	546.25
Capital Employed	8843.16	7180.84	5570.68	4177.56	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54
Working Capital	6453.89	4890.78	3153.84	1945.34	1345.50	1294.84	1612.05	1853.72	1941.96	2519.01
(B) OPERATING RESULTS:										
Revenue from Operations	12839.64	11431.88	9466.58	7827.18	5733.28	4047.82	4904.84	4613.95	4487.98	3530.48
Value Added	4551.85	4408.91	2838.98	2216.57	1682.48	1179.05	1329.62	1253.62	1344.93	1229.23
Gross Margin (EBIDTA)	3402.3	3248.46	2549.63	1511.28	868.33	824.07	848.44	898.41	750.59	880.29
Gross Profit	3309.62	3133.27	2466.50	1435.70	793.82	764.42	779.69	834.08	700.38	840.90
Profit Before Tax and Exceptional Items	3250.48	3109.20	2461.38	1429.33	786.66	756.06	770.43	825.01	696.53	837.00
Provision for Tax	814.71	784.32	615.95	356.61	186.22	150.35	349.63	307.73	256.60	288.01
Profit for the year	2435.77	2324.88	1845.43	1072.72	586.47	479.57	408.48	517.28	439.93	548.99
Total Comprehensive Income	2437.21	2322.13	1840.87	1,072.64	582.41	493.14	391.37	501.80	400.74	548.11
(C) APPROPRIATION:										
Dividend-Equity Shares (Declared)	730.93	698.05	553.63	321.90	176.08	146.02	207.51	155.82	180.00	165.41
Tax on Dividend (Declared)	0.00	0.00	0.00	0.00	0.00	0.00	42.66	32.04	36.65	33.68
(D) RATIOS:										
Gross Profit : Capital Employed	0.37	0.44	0.44	0.34	0.23	0.26	0.30	0.29	0.28	0.32
Total Comprehensive Income : Net Worth	0.28	0.32	0.33	0.25	0.17	0.16	0.15	0.18	0.16	0.20
Gross Margin : Gross Block	1.59	1.55	1.88	1.01	0.63	0.72	0.77	0.89	0.98	1.42
Profit Before Tax : Revenue from Operations	0.25	0.27	0.26	0.18	0.13	0.18	0.15	0.17	0.15	0.23
Revenue from Operations : Gross Block	6.00	5.47	6.98	5.24	4.20	3.55	4.45	4.58	5.87	5.71
Value Added : Revenue from Operations	0.35	0.39	0.30	0.28	0.29	0.29	0.27	0.27	0.30	0.34
Current Ratio	1.42	1.25	1.13	1.08	1.05	1.06	1.09	1.11	1.12	1.16
No. of Employees:	5770	6039	6687	5914	4972	5969	6622	6933	8790	8655
Gross Margin per Employee	0.59	0.54	0.38	0.25	0.17	0.13	0.12	0.13	0.08	0.10

MANUFACTURED CAPITAL

MDL operates one of Asia's most capable defence shipbuilding complexes spanning the Mumbai waterfront and the Nhava facility supporting concurrent construction of warships, submarines, offshore platforms, and commercial export vessels at a depth of concurrency unmatched by any other Indian shipyard.

Manufactured Capital

INFRASTRUCTURE & FACILITIES

Shipbuilding Division Mumbai

Three dry docks, three wet basins, three large slipways, six small slipways, and a 300-tonne Goliath Crane for heavy lift operations. The Module Workshop with retractable roof enables advanced modular block construction. Comprehensive production, assembly, fabrication,
machine and fitting, instrumentation, and electrical shops.

Submarine and Heavy Engineering Division Mumbai

MDL is the only shipyard in India with two independent Submarine Assembly and Launch Lines a strategic distinction that makes it indispensable to India's submarine building capability, equipped with a dedicated Submarine Dry Dock, Shore Integration Facility, Cradle Assembly Shop for equipment outfitting, and sub-section assembly and section formation shops.

Nhava Yard

Currently active as the construction site for ONGC DSF II offshore platform jackets and topsides. The Consultancy Tender for the greenfield development of approximately 37 acres for hard stands, jetty, workshops, stores, administrative buildings, Level Luffing Cranes and allied services for ship and offshore platform construction. This development will materially expand MDL's concurrent build capacity.

South Yard Annex MbPA Land

Approximately 15 acres of Mumbai Port Authority land, acquired by MDL on 01 April 2024. Under development for simultaneous new building construction, outfitting, and repair/refit of various vessel types adding meaningful capacity within the existing Mumbai complex.

Infrastructure Modernisation FY 2025-26 Progress

- Phased replacement of 8 vintage Level Luffing cranes physical progress at 65% as at March 2026.
- New 150T Level Luffing Crane commissioned at Alcock Yard.
- Concretisation of approximately 8.75 acres of production space completed and put to use for production activities.
- New 12,000T Floating Dry Dock under construction.
- New Caisson Gate for East Yard Dry Dock.
- Replacement of Kasara Basin Gate.
- Extension to Submarine Launch Facility at Kasara Basin.
- New Fabrication Workshop and stores at Alcock Yard in progress.
- Skill Development Hub and Apprentice Training School at Gavhan village, Navi Mumbai in progress.

Quality Certifications

ISO 9001:2015 (Quality Management Shipbuilding and Submarine Divisions), ISO 14001:2015 (Environmental Management), ISO 45001:2018 (Occupational Health & Safety HSEMS certification valid till July 2028), and ISO/IEC 27001:2022 (Information Security Management obtained in FY 2025-26).
5S (Workplace Management System) implemented across 21 workshops, stores and offices.

Manufactured Capital

MAKE IN INDIA & THE INDIGENISATION JOURNEY

MDL's indigenisation journey is one of the most consequential industrial stories in post-independence India. From 42% indigenous content in the P15 Delhi Class destroyers of the early 2000s to 75% indigenous content in the P17A Nilgiri Class Stealth Frigates of FY 2025-26, MDL has systematically replaced imported systems with domestically developed alternatives programme by programme, component by component, and supplier by supplier.

For MDL, Indigenisation is not merely about import substitution; It is about building national capability in warship and submarine construction. Built steadily over three decades, this effort gained significant momentum with the establishment of a dedicated Indigenisation Department in October 2015. Today, the pursuit of self-reliance in the maritime domain has as address: Mazagon Dock.

116
Major systems and components indigenised across ships and submarines

42%
Indigenous content: P15 Delhi Class (FY2003 baseline)

75%
Indigenous content: P17A Nilgiri Class (FY2026)

55 out of 174 identified items
Submarine equipment items indigenised

45 items in progress
Submarine equipment items under active development

29 (including Electric Propulsion Motor)
Project Sanction Orders issued for submarine equipment indigenisation

1024
Items submitted to MoD Positive Indigenisation List (PIL)

75 items in progress
Items already indigenised from PIL submissions

Progressive headways achieved
Electric Propulsion Motor (critical submarine propulsion)

Development complete; trials in progress
Helicopter Fire Fighting System

Development in progress
Controllable Pitch Propeller & Shaft System

Successfully developed and tested
iDEX DISC 6: Steering Console for Midget Submarines

Sonar Beacon | Windlass & Capstan | Digital Bearing Time Device
iDEX DISC 10 projects

₹10 crore (max ₹1 crore per project)
MDL Innovation Programme (MIP) FY24–27 allocation

08 September 2025
SRIJAN Portal outreach seminar

10 March 2026 236 representatives; 142 OEMs, MSMEs and industry partners
Atmanirbhar Submarine Ecosystem Conclave 2026

33.53% (mandated minimum: 25%)
MSME procurement as % of total procurement FY 2025-26

4 VDPs (3 exclusively for MSEs owned by SC/ST and Women Entrepreneurs)
Vendor Development Programmes conducted FY 2025-26

The Atmanirbhar Submarine Ecosystem Conclave hosted in March 2026, the Teaming Agreement with Swan Defence and Heavy Industries for Landing Platform Dock design and construction, reflect MDL's intent to expand India's maritime industrial footprint beyond its own premises and to build an ecosystem, not just a yard.

Manufactured Capital

COLOMBO DOCKYARD PLC
INDIA'S SHIPYARD GOES INTERNATIONAL

The acquisition of a 51% controlling stake in Colombo Dockyard PLC is, without qualification, the most strategically transformative development at MDL in a generation.

The Strategic Logic

Established on 14 June 1974, Colombo Dockyard PLC is Sri Lanka's largest shipyard. It is listed on the Colombo Stock Exchange and located within the Port of Sri Lanka one of the most strategically positioned maritime nodes in the Indian Ocean, sitting astride key shipping lanes connecting East Asia, South Asia, the Middle East and Africa. CDPLC is engaged in shipbuilding and ship repair for both defence and commercial clients.

For MDL, the acquisition simultaneously achieves four strategic objectives: geographic diversification into South Asia and the Indian Ocean region; additional ship repair and outfitting capacity at a location where global fleets already call; access to a regional customer base across South Asia, the Middle East and Africa that MDL could not previously serve economically from Mumbai; and a platform for exporting MDL's shipbuilding, engineering services, and technical expertise at scale.

Graving Docks, Port of Colombo, Colombo 15, Sri Lanka

INTELLECTUAL CAPITAL

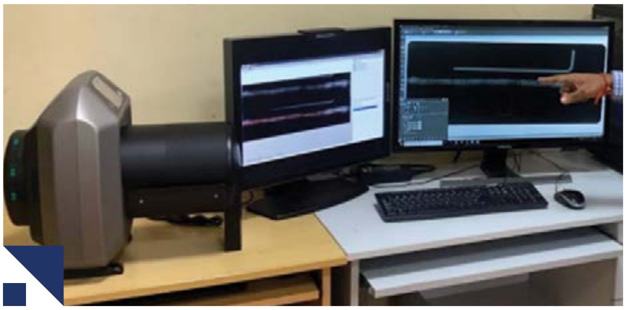
MDL's R&D investment in FY 2025-26 reached ₹186.72 crore, 7.67% of PAT and nearly 60% higher than the ₹117.54 crore (5.06% of PAT) invested in FY 2024-25. This is not a compliance expense. It is an investment in the technologies that will define the warship, the submarine, and the commercial vessel of the next decade and it reflects a Board-level commitment to building technological self-reliance at scale.

R&D Expenditure (₹ in Cr)

FY25-26	**186.72**
FY24-25	117.54

R&D as % of PAT (%)

FY25-26	**7.67**
FY24-25	5.06

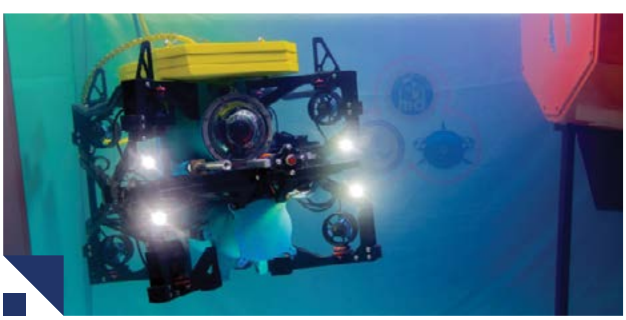


AI and Digital R&D Deployed in Production

Three major R&D projects were completed in FY 2025-26 in collaboration with IIT Madras and start-ups within the Tamil Nadu Defence Corridor. Uniquely, all three have been deployed in live production operations:

- AI-enabled Computerised Radiography (RT) improving weld quality detection accuracy and speed.
- AI-based Robotic Weld Inspection using Phased Array Ultrasonic Testing (UT) deployed in structural fabrication.
- AI-enabled Remotely Operated Vehicles (ROVs) deployed in underwater inspection operations.

MDL has also developed a state-of-the-art basic design framework for naval vessels, featuring advanced and optimised systems for equipment, machinery, weaponry and overall arrangement. Product Data Management and Product Lifecycle Management systems are implemented for frigates currently under construction.



Submarine R&D

The Submarine Division is developing the Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) military products that simulate actual moving submarines for training purposes in partnership with industry. Innovative R&D projects are also in progress in energy and civil applications beyond the core defence sector.

Digital Transformation

SAP ERP enhancements completed in FY 2025-26 include: Internal Audit Module (replacing manual audit process), Digital Employee Medical Case Record system, Gratuity Module, Transport Module, Post Recruitment Module, and integration of the Attendance Recording System with SAP ERP with cybersecurity compliance. ISO/IEC 27001:2022 Information Security Management accreditation obtained. Regular VAPT (Vulnerability Assessment and Penetration Testing) audits conducted. 1,449 employees trained in cybersecurity awareness.

MDL Innovation Program (MIP)

MDL's in-house innovation scheme, the MDL Innovation Programme, mirrors the Ministry of Defence's iDEX initiative. Dedicated allocation: ₹10 crore for 2024–2027, with maximum financial assistance of ₹1 crore per project. Administered by the Indigenisation Department, MIP funds applied innovation in shipbuilding and submarine technologies, building a domestically developed supply chain pipeline.

Intellectual Capital

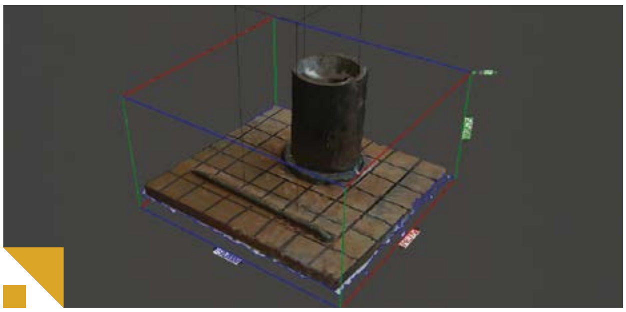
RESEARCH AND DEVELOPMENT

The Company is committed to developing and sustaining intellectual capital by fostering innovation, strengthening technical expertise and continuously enhancing indigenous design and engineering capabilities. Research & Development plays a pivotal role in this endeavour by advancing technologies, developing innovative solutions and translating knowledge into capabilities that support self-reliance, operational excellence and long-term value creation.

IIT Research Partnerships—CSR Funded Applied Research

MDL is supporting six research projects with leading IITs under CSR, each directed at applied maritime and ocean engineering challenges:

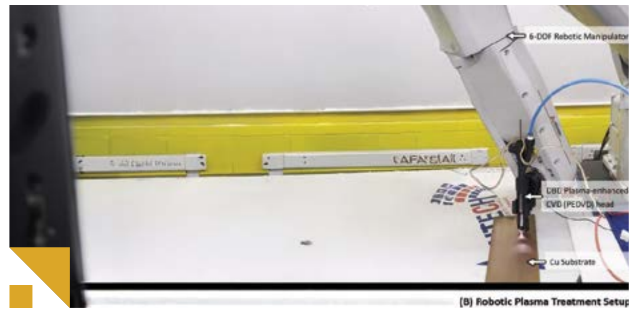
IIT BOMBAY



Robotic welding for shipbuilding sensor-based automatic programming with collision detection

Enable rapid deployment of robotic welding for increased productivity

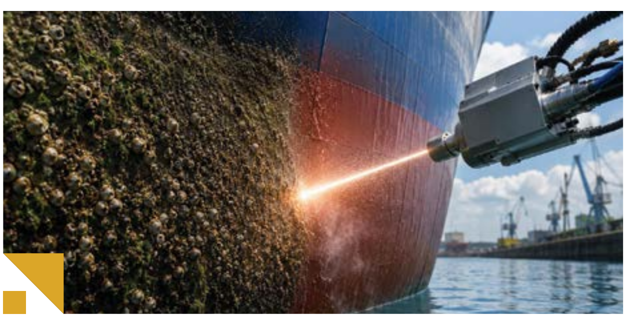
IIT BOMBAY



Improved adhesion and corrosion resistance for marine applications via robotic plasma surface treatment

Enhance performance of protective coatings in marine engineering

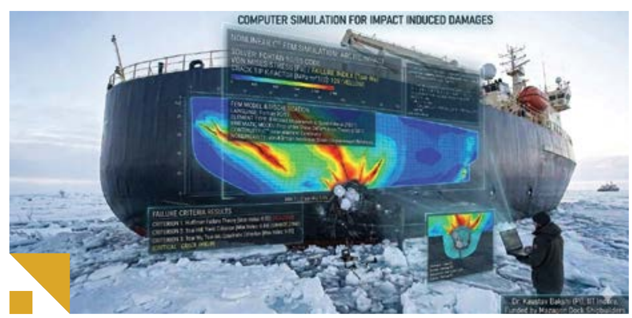
IIT INDORE



Laser-based large-area cleaning of biofouling from ship hulls

Investigate and optimise laser parameters for hull cleaning without damage

IIT INDORE



Impact-induced failure of stiffened curved FRP ship panels under hygro-thermal environment

Develop computer code for contact forces on curved FRP ship panels

IIT HYDERABAD

Time-dependent reliability analysis and structural health monitoring of ship structures

Perform reliability analysis and SHM of ship structures under uncertainty

IIT MADRAS

Construction of Circulating Water Tank at Dept. of Ocean Engineering

Enable scaled model studies of turbulence and cavitation for fluid dynamics research

HUMAN CAPITAL

Human Capital

MDL's 5,770-strong workforce is the irreplaceable foundation of every ship and submarine delivered. Permanent employees (2,782) provide the institutional knowledge base; Fixed-Term employees (2,988) provide the programme-responsive flexibility that concurrent build management demands. 242 of our employees are women.

The training person-days of over 10,000 in a year reflects MDL's deliberate acceleration of capability investment across all levels of the workforce. Key training programmes in FY 2025-26 included: AI training, Team Building, Intellectual Property Rights, ESG and BRSR capacity building, Cybersecurity Awareness, Health, Safety, First Aid and Fire Fighting, Preventive Vigilance, POSH sensitisation, Retirement planning, covering Diet Management, Wealth Management, Mind Management and Wellness. The LTIR of 0.13 reflects MDL's safety commitment in a complex heavy engineering environment involving dry docks, heavy lifting, arc welding, and confined space operations.

Celebrating Women's Day - Honouring the Strength of our Workforce

Total Workforce

FY 2025-26 5,770

FY 2024-25 6,039

Permanent Employees

FY 2025-26 2,782

FY 2024-25 2,654

Fixed Term Employees

FY 2025-26 2,988

FY 2024-25 3,385

Male Employees

FY 2025-26 5,528

FY 2024-25 5,795

Female Employees

FY 2025-26 242

FY 2024-25 244

Training (Person-Days)

FY 2025-26 10,536

FY 2024-25 11,727

Annual Medical Check Ups

FY 2025-26 5,611

FY 2024-25 5,750

Lost Time Injury Frequency Rate (LTIFR)

FY 2025-26 0.13

FY 2024-25 0.04

SOCIAL & RELATIONSHIP CAPITAL

Partnerships that Build the Fleet

Our relationships are anchored in nine decades of trust with the Indian Navy and the Indian Coast Guard, our principal customers, with whom we engage continuously through Working Level Meetings and Combined Project Review Meetings chaired by the Controller of Warship Production and Acquisition. That trust was renewed through the year as we delivered the stealth frigates INS Udaygiri on 01 July 2025 and INS Taragiri on 28 November 2025, followed by the fourth ship of Project 17A on 30 April 2026, and as the Hon'ble President of India undertook a dived sortie on the MDL built submarine INS Vaghsheer. The commissioning of INS Udaygiri as the 100th warship designed by the Indian Navy's Warship Design Bureau was commemorated with the NAMAN Car Rally hosted at our premises. Our circle of relationships is also widening beyond the Indian Defence Services: we are executing offshore projects for ONGC, building six multi-purpose hybrid powered vessels for a European client, and have signed a tripartite MoU with the Indian Navy and the Brazilian Navy for Scorpene submarine sustainment, besides acquiring a 51 per cent controlling stake in Colombo Dockyard PLC, Sri Lanka. Closer home, our vendor ecosystem grows stronger every year, with 33.53 per cent of procurement sourced from Micro and Small Enterprises and 236 representatives from 142 companies joining our Atmanirbhar Submarine Ecosystem Conclave to deepen the indigenous supply chain.

Equally valuable is the relationship we share with our own people and with the society around us. A workforce of 5,770 as on 31 March 2026 delivered the year's record performance in an environment of cordial and harmonious industrial relations, with not a single man-hour lost to industrial conflict. Every employee and worker is covered by health insurance, all employees received skill upgradation training during the year, and dedicated grievance redressal cells for SC/ST, OBC, minority, women and differently-abled employees ensure that every voice is heard. All employees who availed parental leave returned to work and were retained.

Beyond the dock gates, we committed ₹46.81 crore on Corporate Social Responsibility during FY 2025-26, exceeding our obligation of ₹45.28 crore, across 35 projects spanning health and nutrition, education, skill development, heritage and research, from funding heart surgeries for children and meals in government hospitals to supporting schools, naval veterans' healthcare and women's skilling. Through preferential procurement from women-led and SC/ST-owned enterprises and sustained engagement with the communities around Mazagon, we continue to convert the goodwill of our stakeholders into shared, inclusive growth.

OUR PEOPLE AND COMMUNITIES IN NUMBERS

5,770
Total workforce as on 31 March 2026

242
Women employees across the Company

116
Persons with disabilities on our rolls (2.01% of employees)

14.45%
Scheduled Caste representation in our workforce

8.65%
Scheduled Tribe representation in our workforce

100%
Return to work and retention after parental leave

₹46.81 Cr
CSR Expenditure

35
CSR projects across health, education, skilling and heritage

300
Children who received congenital heart disease surgeries

41,666
Beneficiaries of the anaemia control project in Nandurbar aspirational district

3,300
Underprivileged children educated through 110 Abhyasikas

200
Women supported with vocational skilling in Navi Mumbai

33.53%
Procurement from Micro and Small Enterprises

1.73%
Procurement from women-owned MSEs (0.08% from SC/ST-owned MSEs)

595
Trade apprentices trained at our Apprentice Training School

NATURAL CAPITAL

MDL's ESG framework is embedded in Board-level governance and operationalised across all nine principles of the National Guidelines on Responsible Business Conduct (NGRBC). BRSR Core KPI disclosures are independently assured.

Building for the Nation, Caring for the Planet

At Mazagon Dock Shipbuilders Limited, respect for the environment is woven into the way we build, repair and refit ships and submarines. Our yards operate under an integrated Health, Safety and Environment Management System certified to ISO 14001:2015 and ISO 45001:2018, covering all 46 sections and departments of the Company. During FY 2025-26, we remained fully compliant with the applicable environmental laws and regulations, and no project of the Company required environmental clearance or was located in an ecologically sensitive area.

Energy and the shift to renewables

The year marked a decisive shift in our energy basket. Of the total 6,32,12,218 MJ of energy we consumed, 2,74,69,620 MJ came from renewable sources, which is over 43 per cent of our total energy consumption and a growth of 67.5% over the 1,63,99,104 MJ consumed from renewables in FY 2024-25. We have commenced procurement of green tariff electricity with the objective of meeting 50 per cent of our power requirement from renewable sources, and have signed a Power Purchase Agreement with NTPC Vidyut Vyapar Nigam Limited for a 1,375 kW rooftop solar plant under the RESCO model, of which installation of 750 kW of panels is in progress. Alongside, inverter-based welding machines, BLDC fans, LED lighting, variable frequency drives and 5-star-rated air conditioners continued to trim our energy demand, improving our energy intensity to 0.00049 MJ per rupee of turnover from 0.00050 MJ in the previous year.

A lighter carbon footprint

These efforts showed up clearly in our carbon numbers. Our Scope 1 emissions declined to 270.56 tCO_2e from 594.84 tCO_2e, and Scope 2 emissions to 6,367.01 tCO_2e from 10,282.39 tCO_2e, which together represent a reduction of about 39 per cent in our combined Scope 1 and Scope 2 emissions in a single year. During the year, the Company also generated 67,55,608 Green Credits.

Water stewardship

We drew 3,32,489 kilolitres of water during the year, about 13 per cent lower than the 3,81,718 kilolitres withdrawn in FY 2024-25, with no groundwater withdrawal. Our Zero Liquid Discharge system has been operating at the Submarine Section Assembly Workshop since FY 2016-17, combining a sewage treatment plant, a grey water treatment unit and an oil contaminated water treatment system so that treated water is recovered and reused for non-potable applications. Oil and water separation systems ensure that the oil content in any discharged water stays within the 5 to 15 parts per million limit prescribed by the International Maritime Organization, protecting the marine ecosystem around our waterfront.

Waste and the circular economy

Our shipyard has maintained a zero garbage status since FY 2010-11 through partnerships with NGOs for daily collection and recycling of dry waste. Total waste generated during the year stood at 11,474.48 MT, sharply lower than 70,372.46 MT in the previous year, primarily because no significant construction and demolition activity was undertaken. Of the waste generated, 449.98 MT was recovered through recycling, reuse and other recovery operations, while metal, wood and other scrap was disposed of transparently through the Company's Disposal Cell auction process and authorised recyclers.

Greener products and infrastructure

60.14% of our R&D investment during the year was directed at technologies that improve the environmental and social impact of our products and processes. Our Solar Electric Hybrid Boat offers an eco-friendly alternative to diesel-powered passenger craft, and we have developed India's first Fuel-Cell-powered Electric Vessel as a proof of concept. The greenfield shipyard coming up at Nhava, including a BEE 5 star rated hard stand, is being developed as sustainable infrastructure that will carry this commitment into the next generation of our capacity.

FY 2025-26 ENVIRONMENT SCORECARD

43%+
Share of renewables in total energy consumed

67.5%
Growth in renewable energy consumption over FY 2024-25

1,375 kW
Rooftop solar plant under PPA with NTPC Vidyut Vyapar Nigam

~39%
Reduction in combined Scope 1 and Scope 2 emissions

67,55,608
Green Credits generated during the year

13%
Reduction in water withdrawal (3,32,489 KL in FY 2025-26)

Zero
Liquid discharge at Submarine Section Assembly Workshop since FY 2016-17

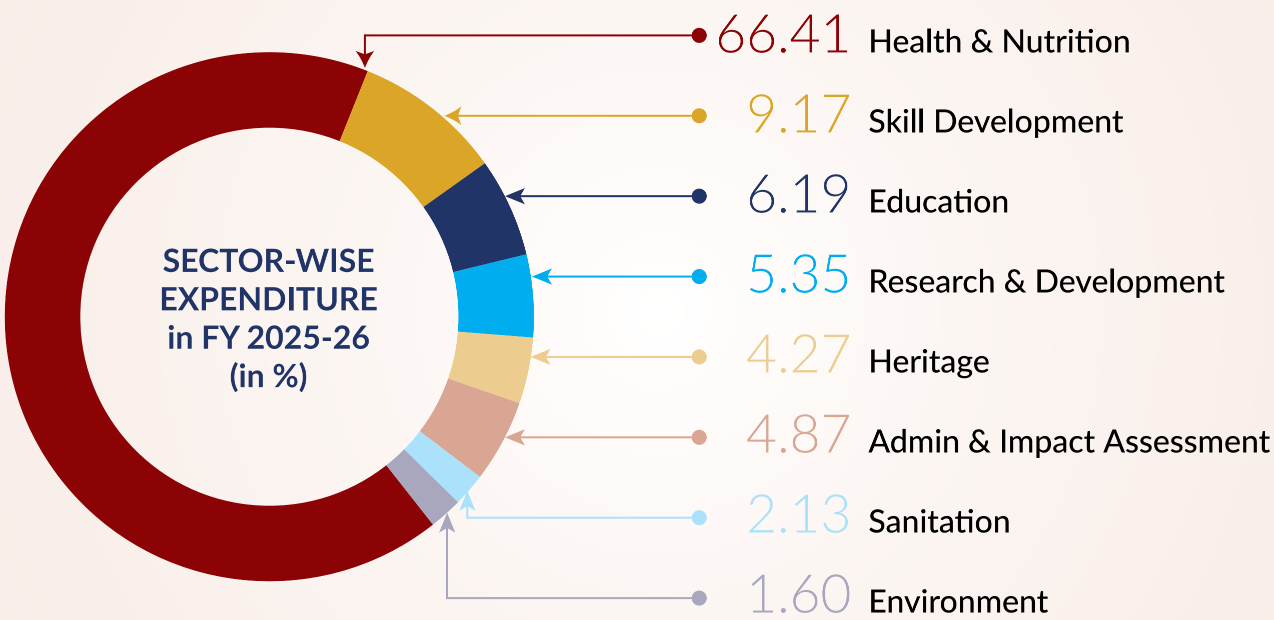
449.98 MT
Waste recovered through recycling and reuse

60.14%
R&D investment in environment and social impact technologies

CORPORATE SOCIAL RESPONSIBILITY (CSR) AT MDL

The Company remains committed to integrating social responsibility with its business objectives through sustainable and inclusive development initiatives. MDL continues to undertake impactful CSR programmes aimed at creating long-term social value and contributing positively to the communities in which it operates, in accordance with its Corporate Social Responsibility Policy and the provisions of Section 135 of the Companies Act, 2013.

During FY 2025-26, the Company implemented 35 CSR projects across various thematic areas including Healthcare & Nutrition, Education, Skill Development, Heritage Conservation and Research & Development.



Education

- Supported 41 students from marginalised communities at Bhonsala Military School, Nagpur.
- Operated 110 tuition centres (Abhyasikas) in Vijayawada and the Krishna, Eluru, Guntur and NTR districts for 3,300 underprivileged slum children.
- Supported care and education of 150 orphan and poor children across 5 units of Matruchaya, Goa.
- Constructed a dining hall at the Sainik School (Netaji Subhas Chandra Bose Military Academy), Silvassa, benefitting 323 cadets and staff.
- Digitalised 15 rural schools in Harda district, Madhya Pradesh, benefiting 1,751 students.
- Supported a wax museum of historical leaders in East Champaran, Bihar, visited by 15,000 people.
- Supporting construction of an academic block at CUSAT, Kochi.

Healthcare & Nutrition

- Funded 300 congenital heart surgeries at Sri Sathya Sai Sanjeevani Hospitals (Navi Mumbai & Raipur).
- Supplied medical equipment to major public hospitals (KEM, LTMG Sion, AIIMS Raipur).
- Served 950 meals daily to patients and attendants at a government hospital in Mumbai (49,550 beneficiaries).
- Provided 2 ALS ambulances to the Civil Hospital, Harda district, Madhya Pradesh.
- Supported naval hospitals in Mumbai, Karwar, Navi Mumbai and Goa for veterans, widows and dependents (40,000 beneficiaries).

Cancer Care

- Provided nutrition support to 9,720 cancer patients and attendants at Sion, Mumbai.
- Provided lodging support at 2 shelter homes for cancer patients in Mumbai/Navi Mumbai (1,627 sheltered).
- Supported robotic and laparoscopic surgeries of 580 poor patients at Tata Memorial Hospital, Parel.

Aspirational Districts

- Distributed digital haemoglobinometers with test strips to ANCs, health sub-centres and ASHA workers in Nandurbar district, reaching 41,666 beneficiaries.

Child Welfare & Nutrition

- Assisted 265 intellectually disabled children and adults at the Children's Home, Mankhurd.
- Equipped therapy units for 550 persons with disabilities at Aastha's Centre of Excellence, Mapusa, Goa.
- Funded nutrition and healthcare for 150 orphaned and destitute children through Asha Sadan and Adhar Gruha.

R&D Support to IITs

- Collaborated with IIT Bombay, Hyderabad, Madras & Indore on 6 marine/naval R&D projects benefiting MSMEs and startups, besides a project of the National Maritime Foundation.

Skill Development

- Continued Apprenticeship Training at MDL's in-house training school and extended support under the PM Internship Scheme (220 trainees and interns).
- Set up a vocational skill centre and supported training of 200 women in Navi Mumbai.

Heritage & Culture

- Contributed towards development of the National Maritime Heritage Complex at Lothal, Gujarat, as a world-class museum.

Environment & Sanitation

- Undertook Swachh Bharat and environment conservation activities in areas around MDL (600 persons benefitted).
- Contributed to the PM CARES Fund, Swachh Bharat Kosh and Clean Ganga Fund.

Key Operational Milestones – FY 2025-26

P17A: Two Frigates Delivered in One Year

MDL created history by delivering two Project 17A stealth frigates—INS Udaygiri and INS Taragiri—within a single financial year, a first for the Company. The 6,670-tonne warships, with 75% indigenous content, reinforce India's self-reliance in naval shipbuilding. INS Udaygiri is also the 100th warship designed by the Indian Navy's Warship Design Bureau.

SCI Methanol Dual Fuel PSV Contract

MDL signed a ₹365 crore contract with SCI for the design and construction of India's first 3,000 DWT Methanol Dual Fuel Diesel-Electric Platform Supply Vessel. The vessel will be SCI's first to operate on green methanol, advancing sustainable maritime operations under the National Green Hydrogen Mission.

India, Brazil and MDL Tripartite MoU

A tripartite MoU was signed on 09 December 2025 in Brasilia for cooperation with the Brazilian Navy and the Indian Navy in the maintenance of Scorpene Class submarines. The agreement establishes MDL as a potential global submarine sustainment partner.

MPV Export: Two Keels Laid

Keels for MPV Yard 21001 and 21002 were laid during FY26 under the export order for six 7,500 DWT Multi-Purpose Hybrid Powered Vessels for Navi Merchants A/S, Denmark, valued at USD 85 million (₹715 crore), with an option for four additional vessels.

MOU with Naval Group, France

MDL signed an exclusive MoU with Naval Group, France, to jointly offer the evolved Scorpene submarine to a friendly foreign nation under its ongoing submarine acquisition programme.

Coast Guard: 21 Vessels in Build

Construction progressed on 21 Indian Coast Guard vessels, comprising one Training Ship, six NGOPVs and fourteen FPVs. Six vessels entered production during the year. The total contract value stands at ₹2,991 crore.

Government OFS Increased Public Float

The Government of India divested a 3.61% stake through an Offer for Sale, reducing its shareholding to 81.22% and enhancing the Company's public float and stock liquidity.

Teaming Agreement with Swan Defence

MDL entered into an exclusive teaming agreement with Swan Defence and Heavy Industries Ltd. for the design and construction of Landing Platform Docks (LPDs) for the Indian Navy, reinforcing public-private collaboration in defence shipbuilding.

CHARTING THE COURSE FORWARD

FY 2025-26 has expanded the canvas of what MDL is building, and where. The six strategic priorities below define the agenda for the years ahead, each anchored in specific, verifiable actions already underway.

1. Complete the P17A Arc and Deepen Concurrent Build Depth

INS Mahendragiri (the fourth and final Nilgiri Class Frigate) has completed its D448 final acceptance as at 30 April 2026. With all four P15B destroyers delivered ahead of schedule and three P17A frigates commissioned, MDL enters FY 2026-27 with 34 vessels in active build - the broadest concurrent build portfolio in any Indian shipyard's history. Sustaining that rhythm while advancing the Ship Repair, Commercial Vessels, offshore platforms, and growing NGOPV and FPV programmes for the Coast Guard is the operational core of FY 2026-27.

2. Integrate Colombo Dockyard and Build India's Indian Ocean Maritime Presence

The acquisition of a 51% controlling stake in Colombo Dockyard PLC Sri Lanka's largest shipyard, listed on the Colombo Stock Exchange and located within the Port of Colombo is MDL's first step as a regional maritime force beyond India's shores. CDPLC adds ship building and ship repair capacity at a critical Indian Ocean node, access to regional naval and commercial customers across South Asia, the Middle East and Africa, and a platform for exporting MDL's shipbuilding and engineering services at scale. Integration planning and turnaround measures are actively underway.

3. Lead the Maritime Energy Transition

The contract with the Shipping Corporation of India for India's first Methanol Dual Fuel Diesel Electric Platform Supply Vessel is not just a shipbuilding order — it is a strategic positioning. The fuel handling, storage and propulsion competencies required to build and operate methanol powered vessels will define which shipyards remain relevant in the global fleet of 2035 and beyond. MDL is investing in those competencies now, under a National Green Hydrogen Mission contract that carries the full weight of national policy behind it.

4. Scale the Export Shipbuilding Portfolio

The six 7,500 DWT Multi-Purpose Hybrid Powered Vessels for Navi Merchants A/S, Denmark (USD 85 million, option for 4 more) are in active hull construction. The India–Brazil–MDL MOU on Scorpene submarine maintenance opens a global submarine sustainment services market. The Teaming Agreement with Swan Defence and Heavy Industries for Landing Platform Docks adds a major future programme pipeline.

5. Build the Infrastructure for the Next 50 Years

The Nhava Greenfield Yard development covering approximately 37 acres for ships, offshore platforms, workshops, jetty, cranes and allied services has the Consultancy Tender floated as at March 2026, with full development targeted by 2031. Within the existing Mumbai complex: crane modernisation at 65% completion (August 2027 target), 8.75 acres of production space concretised and in use, a new 150T Level Luffing Crane at Alcock Yard, a new 12,000T Floating Dry Dock (July 2026), a new Caisson Gate for East Yard Dry Dock (August 2026), and the South Yard Annex (15 acres, MbPA land acquired 01 April 2024) under development for new builds and repair/refit. The Skill Development Hub at Gavhan (Navi Mumbai) will institutionalise MDL's talent pipeline for the decades ahead.

6. Deepen Indigenisation From 75% to 100%

With R&D expenditure at ₹186.72 crore (7.67% of PAT a 59% increase your-on-year), the Electric Propulsion Motor prototype in progress, the Helicopter Fire Fighting System in trials, and the Controllable Pitch Propeller system under development, MDL's indigenisation programme has entered a qualitative new phase. The 1,024 items submitted to the MoD Positive Indigenisation List - 75 already indigenised represent a systematic, programme by programme reduction of India's naval import dependency. The MDL Innovation Programme's ₹10 crore allocation for 2024–2027 fuels the next generation of this effort.

KEY EVENTS

Acquisition of 51% controlling stake in Colombo Dockyard PLC.

P17A Class INS Taragiri Commissioning 03-04-26.

P17A Class INS Udaygiri Delivery 01-07-25.

India Brazil MDL Tripartite MoU.

Inauguration of Vigilance Awareness Week 2025.

Keel Laying Ceremony Fast Patrol Vessels ICG 29-01-26.

Naman Car Rally Marking 100th Warship Designed by WDB.

P17A Class INS Taragiri Delivery to Indian Navy 28-11-25.

Atmanirbhar Submarine Ecosystem Conclave
on 10-03-2026.


P17A Class INS Udaygiri Commissioning 26-08-25.


P17A Class INS Taragiri Commissioning 03-04-26.


Plate Cutting Ceremony FPV 5 for ICG 30-10-25.


Second Reading D448 for P15B INS Imphal 09-12-25.


Second reading of D448 Scorpene Submarine
INS Vela 22-04-25.


Exclusive MoU with Naval Group, France.


The Hon’ble President of India Smt. Droupadi Murmu
undertook a dived sortie onboard INS Vaghsheer,
an MDL-built submarine, on 28 December 2025.

Board's Report

Dear Members,

Your Directors are pleased to present the 93rd Annual Report of Mazagon Dock Shipbuilders Limited ("MDL" or "the Company"), together with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31 March 2026.

Key Developments During the Year:

The Company achieved several significant operational, strategic and business milestones during FY 2025-26. The key developments are summarised below:

i. The Second and Third Stealth Frigate under Project 17A, namely INS Udaygiri and INS Taragiri, were delivered to the Indian Navy on 01 Jul 2025 and 28 Nov 2025 respectively.

ii. The Keel Laying Ceremony of the first and second ships under the Multi-Purpose Vessel (MPV) Project was held at MDL on 02 April 2025 and 17 Nov 2025 respectively. The ceremony marked a significant milestone in the construction of the series of vessels in commercial arina.

iii. The Keel Laying Ceremony of the three Fast Patrol Vessels (FPVs) was held at MDL on 27 May 2025 , 30 October 2025 and 29 January 2026 respectively. Keel Laying Ceremony of the 1st Next Generation Offshore Patrol Vessel (NGOPV) was laid on 22 Jul 25 followed by 2nd & 3rd NGOPV on 17 Mar 26.

iv. The Hon'ble President of India Smt. Droupadi Murmu undertook a dived sortie onboard INS Vaghsheer, an MDL-built submarine, on 28 December 2025.

v. The Company acquired controlling stake in Colombo Dockyard PLC (CDPLC), Sri Lanka, thereby significantly expanding the company's international presence and market reach.

vi. MDL entered into an exclusive Teaming Agreement (TA) with Swan Defence and Heavy Industries Limited (SDHI) for collaboration in the design and construction of Landing Platform Docks (LPDs) for the Indian Navy. This collaboration reflects the spirit of Public-Private Partnership envisaged by the Government of India.

vii. MDL signed a Tripartite Memorandum of Understanding (MoU) with the Indian Navy and the Brazilian Navy on 9 December 2025 at Brasília, Brazil, to strengthen cooperation in the maintenance and lifecycle support of Scorpene-class submarines and other naval platforms, marking a significant milestone in India-Brazil defence cooperation.

viii. MDL organised the Atmanirbhar Submarine Ecosystem Conclave on 10 March 2026 with Shri Dinesh Mahur, Additional Secretary (Defence Production), as the Chief Guest. The conclave provided a platform for Indian industry partners to enhance indigenous capabilities and increase domestic content in future submarine programmes.

1. FINANCIAL PERFORMANCE AND CAPITAL STRUCTURE

1.1 Standalone Financial Results:

The financial performance of the Company during FY 2025-26 reflects continued operational strength, timely project execution and sustained focus on value creation.

(₹ in Lakhs)

Particulars	Current Financial year 2025-26	Previous Financial Year 2024-25
Revenue from Operations	12,83,964	11,43,188
Other Income	1,14,275	1,15,911
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3,40,230	3,24,846
Less: Depreciation/ Amortisation/ Impairment	9,268	11,519
Profit /loss before Finance Costs, Exceptional items and Tax Expense	**3,30,962**	**3,13,327**
Less: Finance Costs	5,914	2,407
Profit /loss before Exceptional items and Tax Expense	**3,25,048**	**3,10,920**
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	**3,25,048**	**3,10,920**
Less: Tax Expense (Current & Deferred)	81,471	78,432
Profit /loss for the year (1)	**2,43,577**	**2,32,488**
Total Comprehensive Income/loss (2)	144	-275
Total (1+2)	**2,43,721**	**2,32,213**

Particulars	Current Financial year 2025-26	Previous Financial Year 2024-25
Balance of profit /loss for earlier years	6,97,915	5,36,899
Add: Retained Earnings	2,43,721	2,32,213
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	77,490	71,197
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	**8,64,146**	**6,97,915**

Revenue from Operations increased by 12.31%, from ₹11,431.88 crore in FY 2024-25 to ₹12,839.64 crore in FY 2025-26. Profit Before Tax (PBT) increased by 4.54%, from ₹3,109.20 crore in FY 2024-25 to ₹3,250.48 crore in FY 2025-26. Profit After Tax (PAT) increased by 4.77%, from ₹2,324.88 crore in FY 2024-25 to ₹2,435.77 crore in FY 2025-26.

The Income Distribution Statement for FY 2025-26 as compared to FY 2024-25 is provided below:

(in %)

INCOME DISTRIBUTION	FY 2025-26	FY 2024-25
Cost of Materials consumed	52.03	45.13
Employee benefit Expenses	6.70	7.77
Finance Costs	0.42	0.19
Depreciation and Amortization expenses	0.66	0.92
Sub-Contracting charges	7.09	10.49
Other Expenses	7.30	5.11
Provisions	2.54	5.70
Exceptional Items	-	-
Tax Expense	5.83	6.23
Other Comprehensive Income	0.01	-0.02
Total Comprehensive Income	17.42	18.48
Total	100	100

1.2 Consolidated Financial Result:

The Company has prepared the Consolidated Financial Statements for the financial year ended 31 March 2026 in accordance with Section 129(3) of the Companies Act, 2013 read with the applicable Indian Accounting Standards. The Consolidated Financial Statements form part of this Annual Report.

The financial performance and key highlights of the Company are set out in the preceding table. A detailed discussion on the macroeconomic environment, industry outlook, business performance, opportunities, risks and concerns, and other factors influencing the Company's operations and performance is provided in the Management Discussion and Analysis Report, which is annexed as Appendix G and forms part of this Report.

1.3 Subsidiaries, Step-down Subsidiaries and Associate Company

Pursuant to the acquisition of a 51% equity stake in Colombo Dockyard PLC (CDPLC) during the year, CDPLC has become a subsidiary of the Company.

Accordingly, as at 31 March 2026, the Company had one subsidiary, namely Colombo Dockyard PLC (CDPLC), and one associate company, namely Goa Shipyard Limited (GSL).

Further, as at 31 March 2026, CDPLC had three subsidiaries, which consequently became the Company's step-down subsidiaries. The details of these step-down subsidiaries are provided below:

SL No	Subsidiaries	Holding by CDPLC (%)
1.	Dockyard General Engineering Services (Pvt) Limited, Colombo, Srilanka	100%
2.	Dockyard Total Solutions (Private) Limited, Colombo, Srilanka	100%
3.	Ceylon Shipping Agency (Pte) Limited, Singapore	51%

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the subsidiary, step-down subsidiaries and associate company in Form AOC-1 is annexed as Appendix 'A' and forms part of the Financial Statements.

Highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during FY 2025-26 is given below:

(₹ in Lakhs)

Sr. No.	Name of the Associate/ Subsidiary	MDL Share Holding (%)	Revenue from operations	Profit Before Tax/ (Loss)
I	Associate			
	Goa Shipyard Limited	47.21	3,76,430.20	44,228.31
	Total (A)		3,76,430.20	44,228.31
II	Subsidiary			
	Colombo Dockyard PLC (CDPLC)*	51	105,196.69**	(8,354.79) **
	Total (B)		105,196.69	(8,354.79)
	Grand Total		**481,626.89**	**35,873.52**

*Note: The above financial results of CDPLC represents it's consolidated financial results including those of it's subsidiaries for the period from 1st January, 2025 to 31st March, 2026, being the reporting period adopted by CDPLC following it's acquisition.

**For conversion into INR, average exchange rate for 15 months period, from 01.01.2025 to 31.03.2026 has been considered. INR 1 = LKR 3.4408

During the current financial year total dividend received by MDL is as follows -

Sr. No.	Name of the Associate/ Subsidiary	Amount in Lakhs
1	Goa Shipyard Limited	550
2	Colombo Dockyard PLC (CDPLC)	Nil
	Total	**550**

1.4 Capital Structure:

The authorised Equity Share Capital of the Company as on 31 March 2026 stood at ₹ 323.72 crore comprising of 64,74,40,000 (Sixty-Four Crores Seventy-Four Lakh Forty Thousand) equity shares of ₹ 5 each.

The paid-up Equity Share Capital as on 31 March 2026 stood at ₹ 201.69 crore comprising of 40,33,80,000 (Forty Crores Thirty-Three Lakh Eighty Thousand) equity shares of ₹ 5 each.

During the year under review, there was no change in the authorised or paid-up share capital of the company. Further, the Company has not issued any equity shares with differential rights as to dividend, voting or otherwise during the year.

Offer for Sale (OFS):

During April 2025, the Government of India, inter alia towards achieving the minimum public shareholding requirement prescribed under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, and Regulation 38 of the SEBI(LODR) Regulations 2015, divested 3.61 % of it's equity stake in the Company, representing 14,563,465 equity shares, through the stock exchange mechanism by way of Offer for Sale (OFS). Consequently, the Government of India's shareholding in the Company stood reduced to 81.22 %.

1.5 Dividend:

For the FY 2025-26, the Board of Directors approved payment of following interim dividends:

First Interim Dividend of ₹ 6 per equity share of ₹ 5 each (120%), amounting to ₹ 242.03 Crores approved on 27 October 2025. Second Interim Dividend of ₹ 7.50 per equity share of ₹ 5 each (150%), amounting to ₹ 302.54 Crores approved on 05 February 2026.

The Board has recommended a Final Dividend of ₹ 4.62 per equity share of ₹ 5 each (92.4%). Subject to shareholders' approval, the proposed Final Dividend would involve a cash outflow of ₹186.36 crore.

Accordingly, the total dividend declared/recommended for the FY 2025-26, comprising of interim dividend already paid and the proposed Final Dividend, aggregates to ₹ 730.93 Crores representing ₹ 18.12 per equity share of ₹ 5 each (362.40%)..

1.6 Transfer to Reserves:

The Board does not propose to transfer any amounts to reserves for the FY 2025-26.

1.7 Contribution to the Exchequer:

For the FY 2025-26, the Company's contribution to the national exchequer by way of Income Tax, GST, IGST on imports and Customs Duty stood at ₹2,499.53 crores.

1.8 Public Deposits:

The Company has not accepted any deposits from the public within the meaning of Chapter V of the Companies Act, 2013. No amount of principal or interest was outstanding as on 31 March 2026 or on the date of this Report.

1.9 Loans, Guarantees or Investments:

The Company has not granted any loans, provided any guarantees or made any investments covered under Section 186 of the Companies Act, 2013 during the year under review.

1.10 Contracts and Arrangements with Related Parties

During the year under review, your Company did not enter into any contract / arrangement with related parties requiring approval or disclosure under section 188 of the Companies Act, 2013 and the rules made thereunder. The details of the related party transactions, as required to be disclosed under Indian Accounting Standard (IndAS) 24 are provided in Note 45 to the financial statements. Form AOC-2 containing the particulars of contracts or arrangements with related parties is annexed as Appendix 'B' to this Report, in accordance with under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014. The Company's Policy on Related Party Transactions, is available at https://mazagondock.in/images/pdf/1related-party-transaction-policy(revised).pdf

1.11 Material Changes subsequent to the date of Financial Statements:

No material changes or commitments affecting the financial position of the Company have occurred between the end of FY 2025-26 and the date of this Report.

1.12 Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

No significant or material orders were passed by any regulator, court or tribunal during the year that would impact the going concern status of the Company or materially affect its future operations.

1.13 Agreements under Schedule III of SEBI LODR Regulations:

During FY 2025-26, no agreements requiring disclosure under Clause 5A of Paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were entered into or disclosed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel or employees of the Company or its subsidiary or associate company.

2. BUSINESS OPERATIONS AND GROWTH

2.1 Review of Operations:

FY 2025-26 was marked by significant achievements across shipbuilding, submarine construction, defence production, exports and strategic initiatives.

The Company continued to strengthen its position as India's leading defence shipyard through timely execution of projects, enhancement of indigenous capabilities and expansion of its global footprint. The operational performance during the year reflects MDL's continued commitment to quality, technological excellence, timely project delivery and national self-reliance in defence manufacturing.

For the FY 2025-26, the Company recorded a revenue of ₹ 12,839.64 crore as against ₹ 11,431.88 crore in the previous FY 2024-25.

There is no material change in the nature of business of the Company during the year.

2.2 Order Book Position:

The Company maintained a robust order book during FY 2025-26, providing long-term revenue visibility and reinforcing its position as one of India's premier defence shipbuilding enterprises.

The status of the Company's major projects under execution is set out below:

a) Destroyer Project:

Destroyer Ships are potent combatants which are Contemporary and State-of-the-Art platforms. First Destroyer of Project P15B was delivered on 28 October 2021 and has been commissioned into the Indian Navy on 21 November 2021. Second Destroyer of the project was delivered on 24 November 2022 and has been commissioned on 18 December 2022. Third Destroyer of the project was delivered on 20 October 2023 and has been commissioned on 26 December 2023. The Fourth Destroyer of the project was delivered on 20 December 2024 and commissioned on 15 January 2025.

All the four ships have been delivered before Contractual timelines and guarantee related activities are being executed now.

b) Frigate Project:

MDL was awarded contract to build four (4) ships under P17A Project in the year 2015. The First of Class of 17A Project was delivered in December 2024 and has been commissioned on 15 January 2025. The subsequent ships were successfully delivered on 01 Jul 25, 28 Nov 25 and 30 Apr 26, respectively.

The Company hosted the NAMAN Car Rally at its Mumbai premises on 31st October 2025 to commemorate the commissioning of INS Udaygiri, being the 100th warship, that was designed by Warship Design Bureau of Indian Navy and built by MDL. The event highlighted the rich maritime heritage, craftsmanship and vision of Aatmanirbhar Bharat.

c) Repair & Refit Projects:

Your company completed refit project of one Coast Guard Vessel and five commercial vessels during FY 2025-26. Six-month guarantee period of a Coast Guard Project ICGS Saksham is currently in progress.

d) Coast Guard (CG) Project:

Under the Coast Guard Projects, MDL is constructing 01 Training Ship, 06 NGOPVs and 14 FPVs. Contracts for these projects were signed in October 2023, December 2023 & January 2024 respectively with a total contract value of Rs. 2991 Crore. The production of all three Projects have commenced. The Keel for Training Ship was laid on 13 Jan 25. The Production of four NGOPVs commenced on 31 May 24, 19 Dec 24, 24 Mar 25 & 20 Aug 25 respectively. The keel for 1st NGOPV was laid on 22 Jul 25 followed by 2nd & 3rd NGOPV on 17 Mar 26. The production of six FPVs also commenced. The keel for three FPVs was laid on 27 May 25, 30 Oct 25 & 29 Jan 26 respectively. These ships will perform as Training Platform for Coast Guard recruits, Coastal patrolling, Ocean surveillance, Anti-smuggling and Anti-piracy operations, logistic supports, rescue operations and to supplement Naval resources.

e) Project Multi-Purpose Vessels (MPV) - Commercial Vessels:

Multi-purpose vessels, or MPVs, are known for their versatility, flexibility, and capability to perform across various functions.

MDL has signed an order with M/s Navi Merchants, Denmark for the construction of six 7500 DWT Multi-Purpose Hybrid Powered Vessel at a value of USD 85 million (₹ 715 Crores) with an optional clause for four more vessels. The production of the first three vessels commenced on 24 September 2024, 16 October 2024 & 03 January 2025 respectively. Keel laying of 1st Vessel was held on 02 Apr 2025 and 2nd Vessel was held on 17 Nov 2025.

f) Submarine Project:

MDL is the only shipyard in India which has constructed Conventional Submarines with two different technologies i.e. German SSK class and French Scorpene class Submarines.

MDL has successfully constructed and delivered 06 Scorpene Class Conventional Submarines to the Indian Navy under licensed construction in collaboration with French Collaborator M/s Naval Group under Project P-75.

g) Offshore Projects:

MDL is also diversifying its business into offshore projects. Currently, following three Offshore projects for M/s ONGC are in progress:

- Part Replacement of Pipeline Project (PRPP) - MDL has received a NOA (Notification of Award) for PRPP from M/s ONGC on 07 December 2023 for part replacement of Subsea pipelines (approx. 44 kms). The Project is on the verge of completion.
- Discovered Small Field-II Project - MDL has received a NOA (Notification of Award) for the project DSF-II from M/s ONGC on 08 August 2024 for building six (6) new well Head platforms and modification of three platforms along with Subsea pipe laying of approx. 200 kms. Fabrication of two Jackets & Top sides at the Nhava Yard is approaching completion. Additionally, fabrication of four Jackets & Top sides is currently in progress at Vietnam.
- PRP 8(a) Project- MDL has received a NOA (Notification of Award) for PRPP 8(a) on 05

September 2024 for Subsea pipe laying of approx. 59.8 kms. & 17.9 kms. of Piggy back along with modification to the existing platforms. Pipe laying activities are in full swing and are expected to be completed during the next season, spanning 15 Oct 26 to 15 May 27.

The successful completion of these projects will enable your company to fully revitalize its offshore division and strengthen its position in the global market.

2.3 Capital Projects and Capacity Expansion

The Company is committed to the upgradation and modernisation of its existing infrastructure and facilities on a continual basis. The major capital projects under implementation are as follows:

a) Replacement of the existing eight vintage Level Luffing Cranes with new modernised cranes has been undertaken in a phased manner.

b) A 150 T Level Luffing Crane is also being set up at Alcock Yard.

c) Manufacture of a new Caisson Gate for the East Yard Dry Dock has been undertaken for replacing the existing Caisson Gate.

d) Development of the Company's land parcel at Nhava Yard, admeasuring approximately 37 acres, is being undertaken. The facilities include construction of Hard Stands, Jetty, Workshops, Stores, Administrative Building, provision of LL Cranes and allied services. This will facilitate construction of ships and offshore platforms.

e) Development of the newly acquired land parcel of approximately 15 acres adjacent to MPA land is being undertaken. The facility is being developed for simultaneous construction and outfitting of New Builds and repair/refit of various types of vessels. The new infrastructure will provide adequate capacity for simultaneous execution of multiple projects.

f) A New Fabrication Workshop, including stores, is being set up at Alcock Yard inside the Company's premises.

g) Replacement of the Kasara Basin Gate is in progress.

h) Infrastructure augmentation is being progressed in East yard to undertake pressure hull fabrication for future Submarine projects.

2.4 Other Infrastructure Projects:

Towards undertaking the construction of advanced and next generation vessels, MDL has undertaken construction of a New Floating Dry Dock of 12000T capacity to handle the dry-docking requirements of future major Projects.

Your Company is committed towards upgrading the skills of the potential workforce of the shipbuilding industry and towards this a skill development hub is being created with an Apprentice Training School (ATS) and associated development work at Gavan village, Navi Mumbai.

Your Company is continuously modernizing its office infrastructure across its premises to enhance operational efficiency, employee productivity and workplace standards.

2.5 Performance against MoUs

MDL had signed Memorandum of Understanding (MoU) with Ministry of Defence, Government of India for the FY 2025-26 outlining targets and various performance parameters for the Company, the performance rating of which is currently awaited. For the previous FY 2024-25, your Company had achieved "Excellent" performance rating with a score of 90.74.

During FY 2025-26, your Company achieved a Profit before Tax (PBT) before exceptional items of ₹ 3,250.48 crore. The import content in Value of Production for FY 2025-26 and FY 2024-25 was ₹ 2723.26 Crore and ₹1,885.61 Crores, respectively.

Onboarding on TReDS platforms:

MDL has onboarded to all five (05) TReDS platforms as detailed below:

DTX onboarded on 20.02.2026

C2TReDS onboarded on 20.02.2026

RXIL onboarded on 30.04.2024

M1 Exchange onboarded on 30.01.2019

Invoice Mart onboarded on 28.05.2018

Against the MoU target for MDL for publishing 250 numbers of Internship Opportunities, MDL had posted 500 opportunities against which 918 applications were received.

3. Technology, Innovation and Business Development

3.1 Research & Development (R&D):

The Company's R&D policy was approved by the Board in June 2013, following the guidelines issued by the Department of Public Enterprises in September 2011. A dedicated committee was established to oversee its implementation.

MDL for the period under review, pursued targeted R&D initiatives in collaboration with academic institutions, start-ups, and MSMEs, not only within the core defence sector but also in critical areas such as autonomous underwater technology and sustainable, eco-friendly transportation solutions.

Further, MDL actively participated in the Government of India's iDEX initiative and, in partnership with start-ups, MSMEs, and innovators, has taken on several challenges.

MDL continues to explore innovative AI initiatives in partnership with domestic industry, academia, and start-ups. Three major R&D projects were successfully completed through collaboration with IIT Chennai, and start-ups within the Tamil Nadu Defence Corridor. These projects involved the development of AI-powered technologies, including:

- AI-enabled Computerized Radiography (RT)
- AI-based Robotic Weld Inspection using Phased Array Ultrasonic Testing (UT)
- AI-enabled Remotely Operated Vehicles (ROVs)

These solutions have been effectively deployed in their respective domains, with full-scale AI optimization anticipated as more operational data becomes available.

In addition, MDL has developed a state-of-the-art basic design framework for naval vessels, featuring advanced and optimized systems for equipment, machinery, weaponry, and overall arrangement.

MDL has also implemented Product Data Management (PDM) and Product Lifecycle Management (PLM) systems for the frigates currently under construction.

The Submarine Division has undertaken focused R&D initiatives through collaboration with Academic Institutions, Start Ups & MSMEs not only in the core Defence sector but also other critical areas like underwater autonomous technology, sustainable & environment friendly transport solutions etc.

Innovative R&D projects are currently in progress at Submarine division not only in the defence sector but also in the field of energy and other civil applications. Military products like Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) which are being developed in partnership with the industry and are designed to simulate the situation of actual moving submarine for training purpose and for decoy measures.

MDL has developed India's first Fuel Cell powered Electric Vessel (FCEV) as a 'Proof of Concept'. MDL is also undertaking a few Artificial intelligence (AI) Projects under R & D viz; Autonomous/ unmanning of Surface vessels and Optimum utilization of Fuel cell under Hybrid power management. Discussion is in progress with the potential clients for commercialisation.

Modern marine transport solutions like Hybrid Electric & Solar boats which can provide sustainable and environment friendly options have been developed. Solar Boat has been launched in December 2023. This Boat can offer a better alternative to conventional diesel boats resulting securing a commercial order from M/s Jawaharlal Nehru Port Authority (JNPA), Mumbai.

The R&D team has also developed prototype of Lithium-Ion Battery system for Submarine in collaboration with M/s QMAX as technology partner.

In addition to the above, MDL is actively participating in iDEX initiative of Govt of India and in collaboration with Start-ups/ MSMEs/ Innovators has already accepted various challenges like Development of Steering console for manoeuvring of Underwater platform, Design & Development of Submersible Boat, Development of Rudder & Hydroplane blades for underwater platforms, etc.

Your Company has spent approximately 7.67% of the PAT towards R&D expenditure during the FY 2025-26. The various projects undertaken under R&D are elaborated in Annexure 1 to Appendix 'G'.

In order to promote R&D, your Company has joined hands under CSR with IIT Bombay, IIT Madras, IIT Hyderabad and IIT Indore. MDL has supported following six research projects with IITs under CSR.

Sr. No.	IIT	Name of Project	Project Objectives
1	IIT Bombay	Robotic welding for Shipbuilding: Sensors based automatic programming with collision detection for rapid deployment.	Development of an automatic programming approach for robotic welding, which would enable the rapid deployment of robotic welding for Shipbuilding resulting in increased productivity
2	IIT Bombay	Improved Adhesion & Corrosion Resistance for Marine Applications via Robotic Plasma Surface Treatment Technology.	To explore the potential of dielectric barrier discharge (DBS) plasma surface treatment as a promising approach to enhance the performance of protective coatings in marine engineering applications
3	IIT Indore	Investigations on Prototype Development for on Laser based Large Area Cleaning of Biofouling from Ship Hulls.	• To Investigate the influence of laser parameters towards Laser Cleaning of Biofouling from Ship Hull. • To optimise the laser parameters for efficient clearing without any impact on the Ship Hull. • To design and optimise the Laser system for large area Cleaning. • To investigate the growth/complete removal of micro-organism after the treatment of Laser.
4	IIT Indore	Impact Induced Failure of Stiffened Curved FRP Ship Panels under Hygro - thermal Environment.	To develop a computer code for contact forces (loading, unloading and reloading) due to impact on curved FRP Ship panels for varying shape, size and speed of Impactor.
5	IIT Hyderabad	Time-dependent reliability analysis and structural health monitoring of Ship structure considering uncertainty.	To perform a time dependent reliability analysis and Structural Health Monitoring (SHM) of Ship structures considering uncertainties.
6	IIT Madras	Construction of Circulating Water Tank at Dept. of Ocean Engineering, IIT Madras	The primary focus is on the design, analysis, and construction of the Circulating Water Channel (CWC), including the procurement of advanced instruments. This robust setup will facilitate precise experimental studies, enabling the CWC to become a foundational resource for fluid dynamics research. The CWC's testing capabilities allow for scaled model studies of complex phenomena such as turbulence and cavitation.

The above-mentioned research-based projects will help in developing technologies in marine/ocean/naval technologies.

3.2 Atmanirbhar Bharat Initiatives/ Indigenisation:

The Company continued to advance the Government of India's vision of Atmanirbhar Bharat through sustained efforts towards indigenisation, strengthening domestic supply chains and enhancing indigenous content across its defence platforms.

In furtherance of these initiatives, the Company continued to strengthen indigenous design, engineering and manufacturing capabilities through close collaboration with domestic industry, research institutions and technology partners, thereby supporting the national objective of achieving greater self-reliance in defence production and promoting indigenous technological development.

The Company's key initiatives, programmes and achievements in advancing the objectives of Atmanirbhar Bharat and promoting indigenisation are outlined below:

a) Strong Commitment to Indigenisation: Since the establishment of a dedicated Indigenisation Department in October 2015, MDL has actively collaborated with Indian industry to develop indigenous alternatives to imported equipment, systems and items in line with the Government of India's Make in India and Atmanirbhar Bharat initiatives. As on date, a total of 116 major systems and equipment/items for ships and submarines have been successfully indigenised, a majority of which have been developed in partnership with MSMEs.

b) Key Indigenous Development Initiatives of MDL includes:

- Electric Propulsion Motor (EPM) critical for submarine propulsion - progressive headways achieved in development of the system
- Hanger Fire Fighting System (HFFS) ensures on-board Helo-deck safety - Development of the system is completed. Trials are in progress.
- Controllable Pitch Propeller (CPP) & Shaft System, converts engine power into propulsion - Development of the system is in progress.

c) MDL Innovation Program (MIP): MDL has introduced its own in-house innovation scheme, the MDL Innovation Program (MIP), mirroring the Ministry of Defence's iDEX initiative. The programme is administered by the Indigenisation Department and has a dedicated funding allocation of ₹ 10 Crores for the period 2024–2027. It is aimed at providing financial assistance—up to Rs One Crore per project—to start-ups, MSMEs, academic institutions, industry professionals, and partner incubators to foster indigenous development.

d) Success Stories under Innovation in Defence Excellence (iDEX) DISC-6: As a proof of concept under the iDEX DISC-6 Challenge, MDL has indigenously developed the Steering Console for Midget Submarines. This critical system is responsible for controlling the submarine's movement in all three dimensions by managing the Rudder and Diving planes.

e) Ongoing Projects under Innovation in Defence Excellence (iDEX) DISC-10: MDL is actively contributing to the iDEX DISC-10 initiative with projects aimed at indigenising key submarine technologies such as the Sonar Beacon, Windlass & Capstan, and Digital Bearing Time Device. These items are currently under development.

f) Contribution to the Positive Indigenisation List (PIL): MDL has made a substantial contribution to the Ministry of Defence's Positive Indigenisation List (PIL) by submitting 1,024 items. Out of these, 75 items have already been indigenised, while the rest are in various stages of Research, Design, and development.

g) Outreach and Industry Engagement: In its efforts to promote indigenisation and enhance industry participation, MDL also conducted a seminar through the SRIJAN Portal on 08 September 2025. The event served as a platform to share information, invite industry collaboration, and discuss future opportunities in indigenous development of Naval equipment and system components.

h) MDL organized "Atmanirbhar Submarine Ecosystem Conclave" on 10 Mar'26 at Mumbai for fostering collaboration between MDL & Industry Partners for creating strong, resilient and self-reliant Submarine Ecosystem in the country. 236 Representatives from 142 Companies including OEM/MSMEs/Industry Partners attended the conclave. During the conclave, one to one technical interaction held with representatives of all OEM/MSMEs/Industry Partners. MDL mapped the requirements with capabilities of Industry partners and encouraged for active involvement in Indigenization efforts to strengthen domestic defense manufacturing ecosystem.

i) MDL remains committed to strengthening India's Defence manufacturing ecosystem by fostering innovation, supporting MSMEs, and reducing dependency on imports through focused indigenisation initiatives.

j) Indigenization of Submarine Equipment: MDL has proactively pursued indigenous development for items/ equipment for conventional Submarine.

3.3 Strategic Partnerships

The Company continued to strengthen its collaborative ecosystem through strategic partnerships and alliances aimed at enhancing domestic capabilities and supporting national defence objectives.

a) Teaming Agreement for Landing Platform Docks (LPDs)

The Teaming Agreement executed with Swan Defence and Heavy Industries Limited (SDHI) for Landing Platform Dock projects represents an important step towards promoting indigenous defence manufacturing through a collaborative Public-Private Partnership model.

The partnership is expected to combine the strengths of both organisations and support future naval shipbuilding requirements.

b) International Cooperation

The Memorandum of Understanding signed with the Indian Navy and the Brazilian Navy marks a significant milestone in international defence cooperation.

The arrangement is expected to facilitate collaboration in submarine maintenance, lifecycle support and related maritime activities, thereby enhancing India's position in the global naval support ecosystem.

3.4 Quality Assurance and Technical Excellence

The successful execution of complex naval programmes during the year reflects the Company's strong emphasis on quality assurance, engineering excellence and adherence to stringent defence standards.

The Company remains committed to maintaining world-class quality systems and continuously improving quality practices, operational processes and technical capabilities to meet evolving customer requirements and stringent defence standards.

The key quality initiatives undertaken during the year are summarised below:

a) Quality Management System (QMS)

MDL has obtained and maintained Quality Management System (QMS) certification in accordance with ISO 9001 Standards since 1998. The Company continues to implement and strengthen its Quality Management System in accordance with ISO 9001:2015 standards. During the year, 54 Lead Auditors and 85 Internal Auditors were trained to carry out internal audits for sustenance of the QMS in the Shipbuilding Division.

As part of sustaining the QMS under ISO 9001:2015, the Second Surveillance Audit of the Shipbuilding Division, including Nhava Yard and Ship Repair & Refit Division, was successfully conducted from 9 to 11 February 2026 by M/s International Certification Services Pvt. Ltd. (ICS).

The First Surveillance Audit of the Submarine Division under ISO 9001:2015 was conducted from 3 to 4 April 2025 and was successfully completed with nil non-conformity reports by M/s International Certification Services Pvt. Ltd. (ICS) covering the scope of "Design, Development, Construction, Refit, Test and Trials of Submarines". Based on the audit, the Submarine Division continues to be certified as compliant with the requirements of ISO 9001:2015.

b) Quality Concepts

i. 5S (Workplace Management System)

MDL has implemented the 5S Workplace Management System across 21 workshops, stores and offices. Internal audits were carried out regularly and, as part of sustaining the initiative, re-certification of all 21 locations was successfully completed through an external agency.

ii. Quality Circles (QC)

Quality Circle movement was introduced in October 2004. Over the years, MDL has developed 29 Quality Circle teams across various shops, sections and projects. These teams continue to analyse work-related issues and implement practical and cost-effective solutions. During the year, Quality Circle teams represented MDL at the Chapter Convention on Quality Concepts (CCQC-2025) and the 39th National Convention on Quality Concepts (NCQC-2025), where they received various awards, details of which are provided under the section "Awards and Recognition".

c) Technology Advancement in Quality Assurance

To strengthen quality assurance through digital transformation and Industry 4.0 technologies, MDL continued to implement advanced quality control and inspection systems. Major initiatives undertaken during the year include:

Implementation of AI-enabled Weld Inspection using Computerised Radiography (AI-RT), Advanced TFM/FMC Ultrasonic Technique (AI-UT), Parikshan Portal for online inspection, QR Code-based compartment inspection, AR/VR-enabled LoI, Phased Array Ultrasonic Testing (PAUT), and introduction of advanced 3D Measurement Videoscope Inspection and Wi-Fi enabled X-ray machines.

Implementation of Vacuum Testing at the shop floor to ensure tank integrity and facilitate early detection of defects prior to erection and blasting/painting operations, in accordance with PSPC requirements.

d) Capacity Building and Knowledge Enhancement in Quality

To strengthen quality competencies across the organisation, specialised training and knowledge-sharing initiatives were undertaken during the year. Training programmes and certification courses, including ISO 9712, ISO 13805, ASNT, NACE, CWIP and PAUT, were conducted to enhance the technical capabilities of Quality Control and Production personnel.

Further, MDL's Quality Control teams actively participated in national and international conferences relating to quality management and inspection practices.

To further strengthen technical competencies, 28 personnel were trained by NACE on Coating and Lining, while two personnel underwent specialised training by IDEMI on Competence of Testing & Calibration Laboratories and Internal Audit, reflecting the Company's continued commitment to professional excellence and continuous learning.

3.5 Information Technology

The Company continued to strengthen its digital capabilities by leveraging technology to enhance operational efficiency, improve governance, streamline business processes and promote paperless operations. During the year, several initiatives were implemented across key functional areas through SAP ERP and other digital platforms to enhance automation, transparency, data integrity and user experience. The major initiatives undertaken during the year are outlined below:

a) Enhancement in the existing SAP ERP Landscape:

i. Implementation of Internal Audit Module in SAP ERP:

The existing manual Internal Audit process has been replaced with an Online Module in SAP ERP. The module facilitates expeditious execution of Internal Audit processes and enables retrieval of relevant information in digital form. It captures all observations and requirements raised by the auditors, along with the corresponding responses submitted by the auditees. The module also facilitates uploading of supporting documents while recording observations, queries and replies through multiple workflows.

ii. Development of Digital Employee Medical Case Record in SAP ERP:

The in-house system for digitisation of Employee Medical Case Records is another step towards achieving paperless functioning of the MDL Medical Department. The system facilitates maintenance of employees' medical records, including patients' medical history, medicines prescribed and clinical notes.

iii. Development of Gratuity Module in SAP ERP:

This add-on feature has been developed to calculate and process the gratuity amount payable to employees upon their retirement or resignation from the services of MDL. The gratuity amount is computed in the system based on the applicable gratuity rules, eligibility criteria and employee details available in the SAP-HR Module. The system also facilitates accounting of gratuity-related transactions, including preparation of financial records such as the cash book, trial balance and balance sheet. Further, it generates the "Monthly Bank Reconciliation Statement of Gratuity Trusts Bank Account" and the "Gratuity Report" on a real-time basis, as required.

iv. Development of Transport Module in SAP ERP:

The Transport Module has digitised the real-time process relating to T-Car requests from users and their approval by the Transport Department through the SAP Portal.

v. Development of Post-Recruitment Module in SAP ERP:

The existing manual post-recruitment activities have been digitised. The module facilitates intimation and tracking of various onboarding processes and enables automated e-mail communication within MDL during the post-recruitment stage of candidates.

vi. Integration of Attendance Recording System (ARS) with SAP ERP:

The standalone Attendance Recording System (ARS) at the Security Complex has been integrated with SAP ERP, ensuring compliance with cyber security requirements. The integration has enabled real-time availability of employee attendance details on the SAP Portal.

b) MDL Website Enhancements and Audit Compliances:

The "Foreign Bidder Module" has been provisioned to facilitate submission of commercial bids by foreign vendors.

The Annual Safe to Host (STH) Certificate for the MDL Website, along with its Application Modules, has been obtained through a CERT-In empanelled Auditor and CIRA.

Additional compliances, including the "Accessibility Audit through IAAP-certified Auditor" and "CQW GIGW 3.0 Compliance Certification through STQC" for the MDL Website, have also been ensured.

c) MDL IT Infrastructure Compliance for Cyber Security:

i. MDL was accredited to ISO/IEC 27001:2022 Information Security Management System in October 2025. This has ensured alignment of IT-related processes and documentation at MDL with the requirements of the ISO Standard.

ii. Advisories issued by competent cyber security authorities, viz., CSG, CERT-In and CIRA, were implemented and circulated for compliance.

3.6 Procurement from MSMEs & GeM:

The Company continues to comply with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, which mandates procurement of at least 25% of the total annual procurement from MSEs. During FY 2025-26, the Company achieved procurement of 33.53% from MSEs, exceeding the prescribed target.

As part of its continued efforts to broaden and strengthen the MSME vendor ecosystem, the Company conducted four Vendor Development Programs (VDPs) during FY 2025-26 exclusively organized for MSEs owned by SC/ST entrepreneurs and women entrepreneurs. Further, to expand its vendor base and promote wider industry participation, the Company participated in 16 national-level programs (including four programs exclusively for MSEs owned by SC/ST entrepreneurs and women entrepreneurs) organized by the MSME Development Institute (DI), State Directorates, NSSH and industry associations such as DICCI, FICCI, CII, etc.

a. Timely payment to MSE vendors:

Details of MSE invoices FY 2025-26					
Total amount involved(Rs.)	**No. of invoices delay(count)**	**No. of suppliers involved in delay(count)**	**Total annual procurement value (₹)**	**Total no. of invoices during the year (count)**	**Total no. of suppliers during the year engaged in annual procurement (count)**
i	**ii**	**iii**	**iv**	**v**	**vi**
Nil	Nil	Not applicable	1009.43 cr.	11445	979
Invoices pending beyond 45 days :		NIL			

b. Procurement through GeM: The annual procurement undertaken through GeM in FY 2025-26 is ₹1838.58 Cr. The total annual procurement of goods and services is ₹3010.32 Cr.

c. Break-up of procurement from:

(i) Micro and Small Enterprises (MSEs) overall - ₹1009.43

(ii) MSEs owned by SC /ST entrepreneurs - ₹2.50 Cr.

(iii) MSEs owned by women entrepreneurs - ₹52.09 Cr.

d. Shortfall in MSE Procurement Targets are as follows:

MDL has achieved total 33.53 % of procurement from MSEs which is exceeding the stipulated target of 25% in MSE order 2012. But the procurement from SC/ST & Women MSEs are falling short of sub targets of 4% & 3% respectively. MDL has made concerted efforts to take SC/ST and Women MSEs on board as indicated below:

- Organised 04 and Participated in 04 Vendor Development Programs (VDPs) for MSEs owned by SC/ST and Women Entrepreneurs.
- Participated in 12 VDPs organised by various Govt bodies.
- A separate Women's MSME Cell to improve women participation in the procurement is formed.

However, despite extensive outreach efforts described above, since very few MSE SC/ST & MSE Women Vendors exist in the Engineering segment catering to the needs of Shipbuilding & Submarine sector, MDL has fallen short of achieving these stipulated sub targets.

As per MSE order 2012 & subsequent amendments, in the event of failure of such MSEs (SC/ST & Women) to participate in tender process or to meet tender requirement or to match L1 price, 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and 3% procurement earmarked for women entrepreneur will also be met from other MSEs.

3.7 Marketing Initiatives and Exports:

The Company's strong order book, successful execution of ongoing projects, expanding export opportunities and strategic investments provide a strong foundation for future growth.

The Company remains focused on timely delivery of ongoing projects, development of new capabilities and pursuit of emerging opportunities in domestic and international markets.

a) Marketing Initiatives

During FY 2025-26, your company significantly expanded its global outreach and strengthened its position as India's premier warship and submarine builder through focused international marketing and business development initiatives.

Your company participated in leading global defence exhibitions, including SITDEF (International Exhibition of Technology for Defense and Disaster Prevention) Peru 2025, DEFEA (Defence Exhibition Athens) Greece 2025 and DSEI (Defence and Security Equipment International) London 2025, showcasing India's indigenous shipbuilding and submarine construction capabilities to defence stakeholders worldwide. These platforms enabled your company to demonstrate its technological strengths, project execution capabilities and lifecycle support expertise while generating multiple business leads across strategic international markets.

In addition to international exhibitions, your company actively engaged with foreign navies, defence ministries and maritime agencies through seminars and bilateral interactions facilitated by Indian Missions in the Philippines, South Africa, Germany and Malaysia. These engagements enhanced the visibility of India's maritime industrial capabilities and positioned your Company as a trusted partner for long-term naval and maritime cooperation.

Your company's marketing approach continues to evolve from product-centric promotion to capability-led engagement, highlighting its ability to deliver integrated maritime solutions encompassing design, construction, modernization, maintenance, training and technology transfer. This strategic positioning is expected to support sustainable export growth and strengthen your Company's international footprint.

b) Exports

Your company possesses a distinguished legacy of constructing 808 ships and exporting more than 240 vessels and maritime platforms over the years. Building upon this strong foundation, your Company is actively pursuing opportunities across defence shipbuilding, commercial shipbuilding, submarine support services, ship repair, modernization, technology transfer and maritime infrastructure development.

Key Export Highlights:

- Your company is currently executing an export contract for the construction of six nos. 7,500-ton Dry Cargo Ships for a European client, demonstrating its competitiveness in international commercial shipbuilding markets.

- A landmark tripartite Memorandum of Understanding between the Brazilian Navy, Indian Navy and MDL was signed during the year, establishing a framework for cooperation in submarine sustainment, maintenance procedures, technical support and lifecycle management of Scorpene-class submarines. This strategic engagement opens a significant opportunity for your company to emerge as a global partner for submarine maintenance and support services.
- In a transformational milestone, your company acquired a controlling stake in Colombo Dockyard PLC, Sri Lanka. This acquisition marks MDL's first major international acquisition and substantially strengthens its presence in the Indian Ocean Region. The acquisition provides enhanced shipbuilding and repair capacity, access to new international customers, and a strategic platform to expand into high-growth maritime markets across South Asia, the Middle East and Africa.
- Your company continues to explore opportunities in submarine manufacturing supply chains, including fabrication of pressure hull sections and specialized engineering services for global submarine programs.
- During the year, your company secured submarine-related inspection and engineering orders from Malaysia and entered into strategic cooperation arrangements to pursue future opportunities in Southeast Asia.

Your company's integrated maritime solutions portfolio today includes warship design, commercial ship design, technology transfer, shipyard development support, training, modernization, refit, overhaul and lifecycle extension services, thereby positioning it as a comprehensive maritime solutions provider.

3.8 Health Safety & Environment Management System:

Your company's Integrated Health, Safety & Environment Management System (HSEMS) has been certified to ISO 14001:2015 and OHSAS 18001:2007 by M/s KBS Certification, accredited by Joint Accreditation System of Australia and New Zealand (JAS-ANZ), a member of the International Accreditation Forum (IAF). The standard OHSAS 18001:2007 was upgraded to ISO 45001:2018 in September, 2021.

This certification reflects MDL's commitment to sustainable development, continual improvement and excellence in Health, Safety & Environmental performance, enhancing its operational credibility and business prospects. The HSEMS certification is valid until July 2028.

4. HUMAN RESOURCE MANAGEMENT

4.1 Human Resource

The Company's employees remain its most valuable asset and continue to be the driving force behind its sustained growth and operational excellence. The Company's Human Resource strategy is focused on attracting, developing and retaining talent, fostering leadership capabilities, promoting employee well-being and creating a high-performance work culture aligned with its strategic objectives.

The Company remains committed to building a competent, motivated and future-ready workforce capable of meeting evolving business requirements and supporting long-term organisational growth.

During FY 2025-26, Human Resource initiatives continued to focus on employee development, organisational capability enhancement, workforce engagement, leadership development, succession planning and strengthening employee competencies to support sustained organisational effectiveness.

4.2 Workforce Profile, Reservation of Posts and Employee Demographics:

As on 31 March 2026, the Company had a workforce comprising executives, non-executives and contractual deployed across various operational, technical and administrative functions. The Company continues to maintain an appropriate workforce structure to support its expanding business requirements and execution commitments.

The Company continues to comply with the Presidential Directives of the Government of India relating to reservation of posts for Scheduled Castes (SCs) and Scheduled Tribes (STs) in recruitment.

The total manpower strength of the Company as on 31 March 2026 stood at 5,770 (including the CMD and Functional Directors). Of the total workforce, 2,988 employees were engaged on a Fixed Term basis, 83 were Ex-servicemen, 834 belonged to the Scheduled Caste category and 499 belonged to the Scheduled Tribe category. The representation of Scheduled Castes and Scheduled Tribes in the total workforce stood at 14.45% and 8.65%, respectively.

Out of the 2,988 employees engaged on a Fixed Term basis, 398 belonged to the Scheduled Caste category and 254 belonged to the Scheduled Tribe category.

The statement showing the representation of Scheduled Castes and Scheduled Tribes in various categories of posts as on 1 January 2025 and 1 January 2026 is as below:

Classification of Posts / services	As on 01st January 2025			As on 01st January 2026		
	Total Strength	Schedule Caste	Schedule Tribe	Total Strength	Schedule Caste	Schedule Tribe
Permanent:						
Group “A”*	945	181	72	945	183	73
Group “B”	29	6	1	34	9	2
Group “C” (Excluding Safaiwala)	1703	235	158	1814	246	170
Group “C” Safaiwala	0	0	0	0	0	0
Temporary:						
Group “A”	0	0	0	0	0	0
Group “B”	0	0	0	0	0	0
Group “C” (Excluding Safaiwala)	0	0	0	0	0	0
Group “C” Safaiwala	0	0	0	0	0	0
Group “C” (Apprentice Under Act)	0	0	0	0	0	0
Fixed Term Contract:						
Group “A”	0	0	0	0	0	0
Group “B”	0	0	0	0	0	0
Group “C” (Excluding Safaiwala)	3426	473	303	3028	403	257
Group “C” Safaiwala	0	0	0	0	0	0

*Includes Board level executives

4.3 Employment of Women:

As per Recommendation No. 51, Para (ii)(a) of the National Commission for Women (NCW) contained in its Annual Report for the year 1995-96 and in accordance with the directions of the Ministry of Defence vide letter No. 39(6)/99/D(B&C) dated 27 August 1999, the position of women employees in the Company as on 31 March 2026 is as under:

a) Executives

Sr. No.	Grade	No. of Employees	Women	Percentage
1	E0	34	3	8.82
2	E1	51	11	21.57
3	E2	15	3	20.00
4	E3	150	14	9.33
5	E4	240	21	8.75
6	E5	273	9	3.30
7	E6	146	9	6.16
8	E7	43	4	9.30
9	E8	19	2	10.52
10	E9	4	0	0
11	CVO	1	0	0
12	CMD & Functional Directors	5	0	0
	Total	981	76	7.47

b) Non-Executives (Operatives)

Sr. No	Grade	No. of Employees	Women	Percentage
1	WG-01	8	0	0
2	WG-02	370	3	0.81
3	WG-03	7	0	0
4	WG-04	14	0	0
5	WG-05	2605	67	2.57
6	WG-06	322	6	1.86
7	WG-07	779	18	2.31
8	WG-08	285	8	2.81
9	WG-09	8	0	0
10	WG-10	2	0	0
11	WG-3A	0	0	0
12	WG-4A	47	0	0
	Total	4447	102	2.29

c) Non-Executives (Staff)

Sr. No.	Grade	No. of Employees	Women	Percentage
1	SI-03	1	0	0.00
2	SI-04	1	0	0.00
3	SI-05	276	48	17.39
4	SI-06	15	4	26.67
5	SI-07	32	6	18.75
6	SI-08	9	4	44.44
7	SI-09	7	1	14.29
8	SI-10	1	1	100.0
	Total	342	64	18.71

As on 31st March 2026, out of 5770 employees, 5528 constitutes male employees and 242 constitute female employees. There are no transgender employees.

Being a heavy engineering industry, against the vacancies notified, MDL receives a relatively lower number of applications from women candidates in various trades and disciplines.

4.4 Persons with Disabilities (PWD) As On 31 Mar 2026:

The total number of physically challenged employees as on 31 Mar 2026 was 116 and its percentage to total employees works out to 2.01%.

Sr. No.	Group	HI	LD	VI	TOTAL
1	Group-A	7	15	10	32
2	Group-B	0	0	0	0
3	Group-C	15	62	7	84
	Total	**22**	**77**	**17**	**116**

Note: HI- Hearing Impaired, LD-Locomotive Disability, VI-Visually Impaired.

4.5 Health and Well-being Initiatives

The Company continued to undertake various initiatives aimed at promoting physical, mental and emotional well-being of employees.

Periodic health awareness programmes, medical facilities and wellness initiatives were organised to encourage healthy lifestyles and enhance employee productivity.

4.6 Diversity and Inclusion

The Company remains committed to providing equal opportunities and fostering an inclusive work environment characterised by fairness, respect and mutual trust.

Efforts continued during the year to strengthen diversity, promote inclusive practices and ensure a workplace free from discrimination and harassment.

4.7 Prevention of Sexual Harassment (POSH)

The Company remains committed to providing a safe, secure and inclusive workplace for all employees.

The Company continues to conduct regular awareness and sensitisation programmes to promote a respectful workplace culture. Awareness initiatives are carried out through training programmes, print and digital media, and engagement with external agencies to reinforce appropriate workplace behaviour and prevention of sexual harassment.

An Internal Committee (IC) has been constituted in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The status of complaints received and disposed of by the Internal Committee during FY 2025-26 is as under:

Number of complaints received during the financial year- 01

Number of complaints disposed-off – 01

Number of complaints pending for more than 90 days - Nil

4.8 Industrial Relations:

Industrial relations remained cordial and harmonious throughout FY 2025-26.

The Company continued to maintain a constructive and collaborative relationship with recognised unions and employee representatives through regular dialogue and engagement. This positive industrial climate contributed significantly to operational stability, productivity enhancement and timely execution of projects.

The Board places on record its appreciation for the cooperation and commitment demonstrated by employees and recognised unions during the year.

4.9 Employee Training and Development

The Company continued to accord high priority to learning and development as a key enabler of organisational excellence.

Various training programmes, workshops, seminars and development initiatives were organised during the year to enhance technical competencies, managerial capabilities, leadership skills and behavioural effectiveness of employees across all levels. The training framework was designed to address current operational requirements while also preparing employees for future technological and business challenges.

The Company also continued to focus on strengthening specialised technical capabilities in areas relating to shipbuilding, submarine construction, engineering, project management, quality assurance, digital technologies and advanced manufacturing systems. These initiatives support the Company's objective of maintaining technological leadership in the defence shipbuilding sector.

Some of the key training and development initiatives undertaken during the year are as follows:

a) During the year under review, 970 Officers underwent training In-House & and 347 Officers were trained outside the Organisation.

b) 1 Orientation programme and 4 External programs were conducted for Directors including Independent Directors.

c) Strategic Conclave of top Management including CMD and Board Members was organised to discuss core theme around Diversification and Decoding of Values of our Organisation.

d) MDL has collaborated with AI University, Karjat to keep its executive updated with the recent developments in AI space and around 50 executives undergone training on AI at AI University. Additionally, 6 executives have undergone training of AI Tools for Employee Productivity and Cyber Security & AI at IPE, Hyderabad and 2 executives have undergone training for AI-Powered Design of Experiment using Data Analytics and Minitab at CII, Vikhroli.

e) Offsite 'Teambuilding' Programmes were conducted to create cohesiveness among all in which a total of 114 executives and 111 non-Executives participated.

f) Programmes on Intellectual Property Rights were conducted to create an IPR Driven Innovation wherein 119 employees were benefited.

g) Global challenges such as climate change, pollution, resource depletion training programme on capacity building on the aspect of sustainability and BRSR was conducted to cater the importance of Environmental, social and governance (ESG) and sustainability in business operations and to understand the importance, latest policies and reporting requirements. of learning and essentials behind ESG and BRSR. 78 no. of executives participated in the training programme.

h) An in-house capsule programme comprising 'Health', 'Safety', 'First Aid' & 'Fire Fighting' was developed and conducted. Around 49 programs were conducted on the said topics and around 2997 employees were trained.

i) In today's digital world, Cyber Security plays a pivotal role in terms of sensitivity and security of information. In order to address the above, Training sessions on Cyber Security Awareness organised through external faculty, wherein 1449 employees participated

j) Customised 02 days Training modules on 'Life Vision Architect' has been devised for employees for their Spiritual and Material development. Total 04 sessions were conducted at Jeevan Vidya Mission at Karjat & 266 Executives and Non-executives participated and benefited.

k) Capsule programmes on retirement planning for the retiring employees and their spouse were conducted for 80 retiring employees over 04 sessions covering 'Diet Management', 'Wealth Management', 'Mind Management' & 'Wellness'.

l) 2 days' preventive vigilance programme was conducted in line with the CVC guidelines and 187 Executives participated in the program.

m) In order to the ensure safety and dignity of women employees, a sensitization programs on 'Prevention of Sexual Harassment of Women at Workplace' (POSH) were conducted. A total of 198 Employees participated in the said programme. On the occasion of Women's Day, MDL also organized various outreach activities for women Executives including outsourced women employees. These programmes aimed to empower the women employees in MDL.

n) MDL continued to secure a robust talent pipeline by providing a number of training sessions to BOAT and Marine Engineering Apprentices, in addition to 595 Trade apprentices.

o) In house on the job training was undertaken with active participation from Fitters, Riggers, Electricians, Electronic Mechanics Store Staff, Draughtsman & Quality Control Inspector, and Electronic Mechanic, Store Staff, etc.

p) Employees were also nominated for various Training Programmes organised by external Agencies/ Institute on Health, Fire Fighting, First Aid, Functional, Cross-Functional, Motivation and Behavioural subject like Health and Wellness, First Aid, Fire Fighting, Entrepreneurship of the Heart: creating impact with Integrity", "Resilience and Purpose: Lesson from my Journey" by Mr. Anand Kumar- Super 30, Building Grit: How to succeed against all odds by Mr. Anand Kumar-Super 30, Artificial Intelligence, Capacity building on the aspect of Sustainability & BRSR, Change Management: Creativity and Innovation, Dining Etiquettes, Disciplinary Proceeding and Framing of Charge sheet, Effective Communication and Interpersonal Skills, Effective Leadership and Decision making, Effective Time Management and Work- Life Balance, , Financial planning, Fundamental of coating & lining, GeM Procurement, Import Procedures INCO Terms and Effective Disposal of Scrap, Intellectual Property Rights, Mentoring and succession planning, Preventive Vigilance, Professional grooming & office Etiquette, Security Sensitization, Retirement Planning, Stress Management and Emotional Intelligence, Yoga etc.

q) Executives were also nominated outside MDL for various programs including 'Magnetic Particle Testing (MPT) Level II, 'Influence of Material Properties on Design and Construction of Submarines, 'Basic Offshore Safety Induction & Emergency Training (BOSIET), 'Ultrasonic Testing Level II, 'Enhancing Procurement Processes for Sustainability, 'Mastering Employment Labour Law Reforms & New Labour, 'Cyber Security, 'Electrical Compliance and Regulation for Ensuring Electrical Safety, 'Welding Technology: Fundamentals of Metallurgical & Quality Aspects of Welded Components & Equipment, 'Life Vision Architect, 'IND AS Training Workshop, 'Artificial Intelligence, 'Capacity Building - Infrastructure Finance, 'Basic Maintenance and Trending Technologies in Hydraulics & pneumatics system, 'Government e-Marketplace (GeM) - Defence Procurement, 'Offshore Structures & Submarine

Pipelines/ Risers, 'Microsoft MSP for PERT activities in Planning, 'The Right to Information Act, 2005 etc.

r) Training programs on Mentoring and Succession planning, Dining Etiquette, Professional grooming & office Etiquette, Online training programs on IGOT, Capacity building on the aspect of sustainability and BRSR and awareness of the SEBI (Prohibition of Insider Trading) Regulations were conducted for MDL employees.

4.10 Leadership Development

Special emphasis was placed on leadership development and succession planning initiatives to build a strong leadership pipeline and ensure organisational continuity. Development programmes were conducted to strengthen strategic thinking, decision-making capabilities, people management skills and business leadership competencies.

A future ready Succession Planning and Leadership Development Plan (SPLDP) that integrates both CPSE standard and global best practices was designed by MDL which emphasizes on peer learning advantage, structured progress and efficiency & cost effectiveness with a scalable model. The policy on MDL SPLDP has been approved by the Board.

4.11 Employee Welfare Measures

Employee welfare continued to remain a key priority for the Company. The Company provides a comprehensive employee welfare framework encompassing healthcare, insurance, social security, employee assistance, post-retirement benefits, health and wellness, education and other welfare measures with a view to promoting employee well-being and fostering a safe, healthy and supportive work environment.

The Company's employee welfare framework, inter alia, comprises Group Savings Linked Insurance Scheme (GSLIS), Group Personal Accident Insurance Scheme (GPAIS), comprehensive medical facilities, health and wellness programs, death benefit schemes, financial assistance to employees and their families in deserving cases, post-retirement medical benefits, pension schemes and various other welfare measures in accordance with the Company's policies.

During FY 2025-26, hospitalization claims amounting to ₹54.18 crore were reimbursed for employees and their eligible dependent family members. Financial assistance of ₹27 lakh was extended to the eligible legal heirs of deceased non-executive employees in cases of death in harness. An amount of ₹9,96,950 was disbursed under the Death Benefit Scheme. The Company also facilitated post-retirement medical benefits to eligible retirees and their spouses, administered contributory superannuation (pension) schemes for executives and non-executives, provided Group Personal Accident Insurance coverage to employees and facilitated timely settlement of retirement benefits, including issuance of PPOs under the EPFO PRAYAAS initiative through the "Pension Mitra" helpdesk.

4.12 Performance Management

The Company continued to strengthen its performance management framework to align individual performance with organisational objectives foster accountability, recognise merits and support career development, thereby contributing to organisational effectiveness and continuous improvement.

The performance management system supports employee development, recognition and career progression while contributing to overall organisational effectiveness.

4.13 Employee Engagement

The Company continued to organise various employee engagement initiatives during the year to promote teamwork, communication, collaboration and a positive organisational culture thereby enhancing employee morale and participation.

4.14 Employee Recognition and Rewards

The Company continued to recognise outstanding contributions made by employees and teams through various recognition and reward programs.

During the year, 62 employees received the Worker of the Month Award, 149 employees received CMD/ Directors Awards and Commendations under various categories and 16 employees received CMD-On the Spot Commendation and Cash Awards. These initiatives reinforce a culture of innovation, operational excellence, teamwork and sustained high performance.

4.15 Organisational Development Initiatives

During the year, the Company undertook organisational restructuring initiatives to strengthen its organisational framework and enhance operational effectiveness in line with evolving business requirements. The restructuring focused on optimising organisational structure, improving role clarity, strengthening functional integrations and enhancing organisational agility to support future growth and business objectives.

4.16 Human Resource Outlook

The Company will continue to invest in talent development, leadership capability enhancement, employee well-being and organisational effectiveness to support its long-term growth strategy.

Human Resource initiatives will remain focused on building a future-ready workforce capable of delivering excellence in an increasingly dynamic and technology-driven business environment.

The Board places on record its sincere appreciation for the dedication, commitment and contribution of all employees, whose collective efforts have played a significant role in the Company's achievements during FY 2025-26. The Company remains confident that its strong human capital foundation will continue to support sustainable growth and long-term value creation.

4.17 National Integration:

The Company continued to undertake various initiatives during the year to promote the spirit of national integration and constitutional values. Some of the major initiatives undertaken are as follows:

a) Commemoration of 150 Years of the National Song "Vande Mataram": The Company commemorated 150 years of the National Song "Vande Mataram" on 7 November 2025. Employees participated in the mass singing of the National Song at their respective workplaces.

b) Constitution Day: Constitution Day was observed on 26 November 2025, during which a large number of employees participated in the reading of the Preamble to the Constitution of India.

c) CSR Initiatives: The Company continued its efforts towards the upliftment of the underprivileged and weaker sections of society through various Corporate Social Responsibility (CSR) initiatives in the areas of healthcare, sanitation, skill development, rural development, education and rehabilitation

4.18 Reservation for SCs/STs/OBCs:

Your company has been observing all the Government directives and instructions issued from time to time on reservation of posts for SCs/STs/OBCs. All the rosters of SC/ST/OBC/PWD are maintained, which is inspected by the respective Liaison Officer and SC/ST Unions, from time to time. Detailed statistics regarding the total number of employees, recruitment made during the FY 2025-26 and the representation of Ex-servicemen and number of women employees as on 01 Jan 2026 are as given below:

Particulars of Recruitment made during the Calendar Year 2025. The number filled by SC's / ST's, Reasons for shortfall and steps taken to improve the position

Classification of Posts/ services	Total Number of posts Advertised	Schedule Caste		Schedule Tribes		Reason for shortfall and steps taken to improve the position
Permanent:		Notified	Filled	Notified	Filled	
Group "A"	01	0	0	0	0	-
Group "B"	06	01	01	02	01	1 ST candidate not found
Group "C" (Excluding Safaiwala) (Fix Term)	0	0	0	0	0	-
Group "C" Safaiwala	0	0	0	0	0	-
Fixed Term Contract						
Group "A"	11	2	2	1	1	-
Group "B"	0	0	0	0	0	-
Group "C" (Excluding Safaiwala)	0	0	0	0	0	-
Group "C" Safaiwala	0	0	0	0	0	-

Statement showing representation of Ex-Servicemen in Group 'C' & 'D' and Number of Women Employees as on 01st January 2026

Classification of Posts / services	Total Strength	Ex-servicemen		Women Employees	
		No	%	No	%
Permanent					
Group "A"	945	79	8.34	73	07.72
Group "B"	34	0	0.00	03	8.82
Group "C" (Excluding Safaiwala)	1814	4	0.22	36	01.98
Group "C" Safaiwala					
Fixed Term Contract					
Group "A"	9	1	11.11	0	0.00
Group "B"	0	0	0	0	0
Group "C"(Excluding Safaiwala)	3028	3	0.10	113	03.73
Group "C" Safaiwala					

4.19 Grievance Redressal Committees for SCs/STs:

Weaker sections of the society are given adequate protection in the form of just and equitable treatment at the hands of employer. To ensure the same, a separate "Grievance Redressal Cell" has been constituted for SC/ST employees. A quarterly meeting of representatives of SC/ST is held with Director (CP&P) wherein grievances related to SC/ST are discussed and resolved.

5. CORPORATE GOVERNANCE AND LEADERSHIP

5.1 Governance & Sustainability

The Company remains committed to the highest standards of corporate governance and recognises that robust governance practices are fundamental to sustainable value creation, stakeholder confidence and long-term business success.

The governance framework of the Company is aligned with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and other applicable statutory requirements. The Company continues to strengthen its governance framework through transparent decision-making processes, effective Board oversight, robust internal controls and a strong compliance culture.

5.2 Corporate Governance

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable DPE Guidelines, a separate Report on Corporate Governance is annexed as Appendix 'C' to this Report.

The Secretarial Auditor of the Company has issued a certificate confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI LODR Regulations. The certificate is annexed as Appendix 'D' to this Report.

5.3 Implementation of Right to Information (RTI) Act, 2005

The Company remains committed to transparency and accountability in its functioning and has established the necessary institutional framework for effective implementation of the Right to Information Act, 2005.

Appropriate officers have been designated as Assistant Public Information Officers, Public Information Officers and Appellate Authorities for facilitating access to information under the Act.

During FY 2025-26, the Company received 126 RTI applications and 14 first appeals through online and offline modes. The information sought was furnished in accordance with the provisions of the Act. Quarterly returns were filed with the Central Information Commission (CIC) within the prescribed timelines.

Further, proactive disclosures under Section 4(1)(b) of the Act have been hosted on the Company's website and are subjected to third-party audit in accordance with CIC guidelines.

5.4 Meetings of the Board

During FY 2025-26, the Board met seven times to deliberate on strategic, operational, financial, governance and compliance matters.

The meetings were held on 8 April 2025, 29 May 2025, 27 June 2025, 28 July 2025, 27 October 2025, 9 January 2026 and 5 February 2026

The meetings were conducted in compliance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and applicable Secretarial Standards.

Details regarding attendance of Directors at Board Meetings are provided in the Corporate Governance Report annexed as Appendix 'C'.

5.5 Company's Policy on Directors Appointment and Remuneration

Being a Central Public Sector Enterprise (CPSE), the appointment, tenure and remuneration of Functional Directors, including the Chairman & Managing Director, are determined by the Government of India through the Public Enterprises Selection Board (PESB) and the Administrative Ministry.

Government Nominee Directors are appointed by the Ministry of Defence and are not entitled to any remuneration or sitting fees from the Company.

Independent Directors are appointed by the Government of India and are entitled to sitting fees for attending meetings of the Board and its Committees in accordance with the applicable statutory provisions and Board-approved policy.

Pursuant to the exemption granted by the Ministry of Corporate Affairs vide Notification No. G.S.R. 463(E) dated 5 June 2015, Government Companies are exempt from the requirement of formulating a policy under Section 134(3)(e) of the Companies Act, 2013 relating to Directors' appointment, remuneration.

5.6 Board Evaluation

Pursuant to the Ministry of Corporate Affairs Notification dated 5 June 2015, Government Companies are exempt from the requirement relating to annual evaluation of the Board, its committees and individual Directors, as the performance of Directors is evaluated by the Administrative Ministry.

However, in terms of Regulation 17(10) of SEBI LODR Regulations, 2015, the performance evaluation of Independent Directors for the financial year ended 31 March 2026 was carried by the Board.

5.7 Changes in the Board of Directors and Key Managerial Personnel

The following changes took place in the composition of the Board and Key Managerial Personnel during the year under review and up to the date of this report:

Chairman & Managing Director:

Capt. Jagmohan (Retd.) (DIN: 08630668) was appointed as Chairman & Managing Director with effect from 21 April 2025.

Shri. Biju George, (DIN-09343562) held the Additional Charge of Chairman & Managing Director of the Company till 20 April 2025

Government Nominee Director:

Shri Dinesh Mahur, Additional Secretary (Defence Production) (DIN: 10862645), was appointed as Government Nominee Director with effect from 30 April 2026 in place of Shri Rajeev Prakash, Joint Secretary (Naval Systems) (DIN: 08590061).

Independent Directors:

Shri Kedarnath Gupta (DIN: 06460508) has been appointed as an Independent Director of the Company for a period of three years with effect from 21 May 2025.

Shri Sambasiva Rao Chandu (DIN: 02296283) ceased to be an Independent Director with effect from 23 January 2026 consequent upon his resignation.

Shri Dattaprasad Kholkar (DIN: 10054086) ceased to be an Independent Director with effect from 23 February 2026 upon completion of his tenure.

Dr. Vivek Atul Bhuskute (DIN: 09417992) and Smt. Veni Thapar (DIN: 01811724) were appointed as Independent Directors for a period of one year with effect from 21 April 2025 and completed their tenure on 20 April 2026.

Company Secretary and Compliance Officer:

Shri Lalatendu Acharya was appointed as Company Secretary and Compliance Officer with effect from 1 June 2025 in place of Smt. Madhavi Kulkarni, who was redesignated as Assistant Company Secretary.

Pursuant to organisational restructuring of the Company, Director (Shipbuilding) has been re-designated as Director (Operations) and Director (Submarine & Heavy Engineering) as Director (Technical) w.e.f. 12 May 2026.

5.8 Constitution of Audit Committee

The Audit Committee has been constituted in accordance with Section 177 of the Companies Act, 2013 and the applicable provisions of the SEBI LODR Regulations. The Committee assists the Board in overseeing financial reporting, internal controls, risk management, audit processes and regulatory compliance.

The composition and terms of reference of the Audit Committee are provided in the Corporate Governance Report. All recommendations made by the Audit Committee during FY 2025-26 were accepted by the Board.

5.9 Declaration of Independence and Separate Meeting of Independent Directors

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence prescribed under the Companies Act, 2013 and the SEBI LODR Regulations, 2015.

Based on the declarations received and the assessment undertaken, the Board is of the opinion that the Independent Directors possess the requisite integrity, expertise and experience and continue to fulfil the conditions of independence prescribed under applicable laws.

A separate meeting of the Independent Directors was held on 5 February 2026 in accordance with the provisions of the Companies Act, 2013. All Independent Directors attended the meeting.

The Independent Directors have also confirmed compliance with the Company's Code of Business Conduct and Ethics for Board Members and Senior Management.

5.10 Corporate Social Responsibility (CSR)

The Company remains committed to integrating social responsibility with its business objectives through sustainable and inclusive development initiatives. MDL continues to undertake impactful CSR programmes aimed at creating long-term social value and contributing positively to the communities in which it operates, in accordance with its Corporate Social Responsibility Policy and the provisions of Section 135 of the Companies Act, 2013.

During FY 2025-26, the Company implemented 35 CSR projects across various thematic areas including Healthcare & Nutrition, Education, Skill Development, Heritage Conservation and Research & Development.

The Annual Report on CSR containing the requisite disclosures as prescribed under the Companies Act, 2013 forms part of this Board's Report as Appendix 'E'.

The major CSR initiatives undertaken during the year under these thematic areas are summarised below:

a) Healthcare and Nutrition

Healthcare continued to be one of the key focus areas of the Company's CSR initiatives during the year. The Company supported various projects aimed at improving access to quality healthcare services, strengthening healthcare infrastructure and extending healthcare support to economically weaker sections of society, defence personnel and their dependants.

The major healthcare initiatives undertaken during the year are as follows:

- Aspirational Districts: MDL has undertaken a project to address anaemia among women and adolescent girls in Nandurbar district through supply of digital haemoglobinometers for frontline health workers.
- Healthcare Facilities: Your Company has continued undertaking new initiatives in the Healthcare sector during FY 2025-26.

Your Company continued its support to Government Hospitals, namely LTMMC & GH Hospital, Sion, Mumbai; King Edward Memorial Hospital, Parel, Mumbai; and AIIMS, Raipur by providing necessary medical equipment to strengthen public healthcare services for the benefit of the needy sections of society. In order to strengthen healthcare facilities for Armed Forces veterans and their dependants, MDL supported Naval Hospitals at Mumbai, Karwar, Navi Mumbai and Goa through supply of medical equipment. Further, MDL also continued its support towards treatment and completion of surgeries of 300 children suffering from congenital heart disease (CHD) at Sri Sathya Sai Sanjeevani Hospital, Navi Mumbai (Maharashtra) and Raipur (Chhattisgarh).

Further, the Company continued to accord special focus to cancer care and treatment during FY 2025-26. In this regard, Tata Memorial Hospital, Parel, Mumbai was supported through provision of surgical instruments for facilitating robotic and laparoscopic surgeries for economically weaker patients at subsidised cost.

MDL also continued its support to two shelter homes in Mumbai and Navi Mumbai to assist cancer patients and their dependants visiting Mumbai for treatment at Tata Memorial Hospital and ACTREC, Navi Mumbai.

b) Support for Vulnerable Sections of Society

As part of its commitment towards inclusive social development, the Company continued to support projects benefiting persons with disabilities, orphaned children and other vulnerable sections of society.

- Support for Persons with Disabilities and Orphans/Homeless Children: MDL supported equipping therapy units at Aastha's Centre of Excellence for Persons with Disabilities in Goa. The Company also supported intellectually challenged children and adults at Children's Home, Mankhurd, benefiting 265 children and adults who are victims of natural calamities, social apathy and loss of parents.
- Further, MDL undertook support towards the medical and nutritional requirements of 150 orphans, destitute and homeless children residing at Maharashtra State Women's Council Asha Sadan, Byculla, Mumbai.

c) Education and Skill Development

Education and skill development continued to remain important focus areas of the Company's CSR initiatives. The Company supported projects aimed at promoting quality education, enhancing employability and creating sustainable livelihood opportunities.

The major initiatives undertaken during the year are as follows:

- Education Sector: MDL continued its support to the "MDL Super 10" project at Bhonsala Military School, Nagpur, to provide quality education to students from marginalised communities. During FY 2025-26, support was extended to 41 students from the tribal-dominated Shahapur area of Thane district.

  MDL also supported the care and education of 150 orphan and economically disadvantaged children across five units of Matruchaya in Goa and supported digitisation of 15 rural schools in Harda district of Madhya Pradesh.

  Further, MDL continued its support towards 110 Abhyasikas (Tuition Centres) in urban slum areas of Vijayawada, benefiting approximately 3,300 underprivileged children.
- Skill Development: To promote women empowerment through skill development, MDL supported establishment of a vocational skill centre and training of 200 women in Navi Mumbai. The Company also continued its support for Apprenticeship Training at Apprenticeship Training School, MDL, Mumbai.

d) Research & Development

In line with its commitment to promote research, innovation and technological development, the Company continued to support collaborative research initiatives with premier academic institutions. The Company joined hands with IIT Madras, IIT Bombay, IIT Hyderabad and IIT Indore to support research projects in marine, ocean and naval technologies, which are expected to benefit start-ups, MSMEs and Indian industry.

e) Heritage Conservation

The Company also continued to support initiatives aimed at preserving India's rich maritime heritage. The Company supported the development of the National Maritime Heritage Complex at Lothal, Gujarat, for establishment of a world-class maritime museum.

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

Pursuant to MCA notification GSR No.680 (E) dated 04 Sep 2015, your Company, being a Government Company engaged in producing defence equipment, is exempt from furnishing the particulars relating to the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo required under the provisions of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in the Board's Report.

Details relating to Environmental Protection and Conservation, Technological Conservation, Renewable energy developments, Foreign Exchange Conservation in accordance with the DPE Guidelines on Corporate Governance are provided under Annexure 1 to the Management Discussion and Analysis Report (MDA) at Appendix 'G' to this Report.

5.12 Swachh Bharat Initiatives

In line with the Swachh Bharat Mission of Government of India, your Company has continued the clean-ship of areas/wards in Mazagon, Mumbai:

a) Clean-ship of adjacent areas/Roads of MDL by external agency: MDL has engaged a clean-ship - specific agency for carrying out daily cleaning of roads (approx. 4.5 km) adjacent to MDL.

b) Celebration of *'Swacchata hi Seva 5.0 Campaign'* from 17.09.2025 – 02.10.2025 - Cleanliness drive (Shramadaan) was organized from 17.09.2025 – 02.10.2025 within and surrounding areas of MDL and conducted various outreach activities like:

- Identifications of Scraps.
- Segregation of records and weeding of old records.
- Cleanliness drive in MDL residential Complex.

c) Cleanliness drive (Shramadaan) in the surrounding public areas viz Road, and market areas.

- Plogging (Picking of Single Use Plastic) and collection of Plastic waste.
- Tree Plantation.

d) Celebration of *Swachhata Pakhwada*, 2025 from 01st Dec 2025 to 15th Dec 2025. In accordance with the Ministry's guidelines promulgated, various outreach activities has been conducted 01 Dec 2025 to 15 Dec '2025 at MDL.

5.13 Particulars of Employees and Related Disclosures

In accordance with the Ministry of Corporate Affairs notification no. GSR 463(E) dated 05 June 2015, Company being a Government Company is exempt from the applicability of Section 197 of the Companies Act, 2013 including the requirement relating to disclosure of particulars of employees in the Board's Report.

5.14 Copy of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, Annual Returns of the Company are available on the Company's website and is available at the weblink https://mazagondock.in/English/pages/Annual-Return.

The Annual Return for the FY 2025-26 shall be made available on the website of the Company at the same link after filing the same with the Registrar of Companies.

5.15 Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

5.16 Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors hereby confirm that: -

a) in the preparation of the Annual Accounts for FY ended on 31 March 2026, the applicable Accounting Standards have been followed and no material departures have been made therefrom;

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

c) proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis;

e) adequate Internal Financial Controls have been laid down and such controls are operating effectively; and

f) proper systems have been devised to ensure compliance with applicable laws and such systems are adequate and operating effectively.

5.17 Statutory Auditors and their Report

Your Company being a Government Company, the Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). For the FY 2025-26, M/s. Sarda & Pareek LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company. The Report of the Statutory Auditors on the Standalone and Consolidated Financial Statements for FY 2025-26 forms part of the Annual Report.

The report does not contain any qualifications, reservations, or adverse remarks which would otherwise call for any further comments pursuant to Section 134(3)(f) of the Companies Act, 2013.

It may be noted that during the year under review, no incidence of fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Amendment Rules, 2015.

5.18 Comments of the Comptroller & Auditor General of India

The "NIL Comments Certificate" of the Comptroller and Auditor General of India pursuant to Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of the Company for FY 2025-26 forms part of this Annual Report.

5.19 Secretarial Audit

For the FY 2025-26, M/s. SVJS & Associates, Company Secretaries (Secretarial Auditors) conducted the Secretarial Audit of the Company.

The Secretarial Auditor has not reported any qualification, reservation or adverse remark, except the observations summarized below:

<table>
<tr><th>Sl. No.</th><th>Secretarial Auditor's Observation</th><th>Board's Reply</th></tr>
<tr><td>1.</td><td>During certain periods of FY 2025-26, the composition of the Board was not in compliance with the requirements relating to the number of Independent Directors, Non-Executive Directors and Independent Woman Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The intermittent vacancy of the Independent Woman Director was also not filled within the prescribed timeline.</td><td rowspan="2">Being a Government Company, appointment of Directors, including Independent Directors, is made by the President of India acting through the Ministry of Defence (MoD). Accordingly, the delay in filling the vacancies was beyond the control of the Company. The Company has already taken up this issue with the Ministry of Defence, and the Government is seized of the matter.</td></tr>
<tr><td>2.</td><td>Vacancies in the office of Independent Directors were not filled within the timelines prescribed under Regulation 17(1E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</td></tr>
</table>

The detailed observations of the Secretarial Auditor are contained in the Secretarial Audit Report in **Form MR-3**, which forms part of this Report and is annexed as Appendix 'F'.

5.20 Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 and the applicable rules, the Company has maintained cost records as prescribed by the Central Government.

For the FY 2025-26, M/s. Dhananjay V Joshi & Associates, Cost Accountants was appointed as Cost Auditors for conducting Cost Audit of the Company under Section 148 of the Companies Act, 2013.

The Cost Audit Report for preceding FY 2024-25 was filed with the Ministry of Corporate Affairs within the prescribed timelines.

5.21 Adequacy of Internal Financial Controls with Reference to the Financial Statements

a) The Company has established adequate Internal financial controls commensurate with the size, scale and complexity of its operations.

b) The internal control framework is designed to ensure:

- orderly and efficient conduct of business;
- safeguarding of assets;
- prevention and detection of fraud and errors;
- accuracy and completeness of accounting records; and
- timely preparation of reliable financial information.

c) The system of Internal Control comprises well defined organization structures, pre-identified authority level and procedure issued by management covering all vital and important areas of activities which includes Purchase, Inventory consumption, Fixed Assets, Cash & Bank management and Treasury, Payroll, Statutory Compliance, Personnel & all other activities involved in financial statement closing process.

d) The Company has an Internal Audit Department, which monitors compliances of Company's procedures, and policies with well-defined annual audit programme and significant audit observations are reported to the Audit Committee of Board of Directors. The Internal Audit function is headed by AGM/ HOD (Internal Audit) who is reporting directly to the Chairman & Managing Director.

e) The Board is of the opinion that the Company has adequate Internal Financial Controls with reference to the financial statements and that such controls were operating effectively during the year.

6. AWARDS, RECOGNITIONS AND OFFICIAL LANGUAGE

6.1 Awards and Recognitions:

The Company continued to receive recognition at national and international forums during FY 2025-26 for excellence in quality management, corporate social responsibility, human resource management, information technology, financial performance and official language implementation, etc.

These recognitions reflect the Company's continued commitment towards operational excellence, innovation, quality, governance and stakeholder value creation.

The major awards and recognitions received during the year are summarised below:

a) Quality Excellence

(i) Twenty-nine Quality Circle teams from MDL presented their case studies at the Chapter Convention on Quality Concepts (CCQC-2025) organised by the Quality Circle Forum of India, Mumbai Chapter.

Of the 29 teams that participated, 28 teams received the Gold Award, while one team received the Silver Award, demonstrating MDL's sustained focus on quality improvement and employee-driven innovation.

The Company also secured several special recognitions in categories including:

- Poem Competition
- Essay Competition
- Slogan Competition
- Best Model Competition
- Best Presentation of the Day
- Best Case Study Award

(ii) National Convention on Quality Concepts (NCQC-2025)

- Ten Quality Circle teams represented MDL at the 39th National Convention on Quality Concepts (NCQC-2025) held at Greater Noida.
- Of the participating teams:
- Eight teams received the Par Excellence Award
- Two teams received the Excellent Award

These achievements underscore the Company's strong culture of continuous improvement and employee participation.

(iii) International Quality Recognition

Two Quality Circle teams, Rainbow and Prerna, represented MDL at the International Convention on Quality Control Circles (ICQCC) held at Taipei International Convention Centre, Taiwan.

Both teams demonstrated outstanding performance and secured Gold Awards, bringing international recognition to the Company.

b) Corporate Social Responsibility Recognition

MDL was conferred with the Best Healthcare Support Initiative of the Year Award at the Indian Social Impact Awards 2025 held in New Delhi.

The award recognises the Company's impactful contribution towards healthcare and community welfare through its Corporate Social Responsibility initiatives.

c) Best Enterprise Award in the Navratna Category:

MDL received the Best Enterprise Award in the Navratna Category during the 36th National Meet of Women in Public Sector (WIPS).

The recognition reflects the Company's commitment towards inclusive growth, employee development and organisational excellence.

d) Information Technology Awards

The Company received recognition at the Governance Now 10th India PSU IT Forum & Awards 2025 in the following categories:

"Digital Transformation Leader (CIO/CTO) Award" and "Digital Transformation Excellence Award".

These awards acknowledge MDL's continued progress in digital transformation and technology-enabled governance.

e) Human Resource Excellence

MDL received the Governance Now 11th PSU Award for HR Excellence (Overall Category) in recognition of its human resource management practices and employee development initiatives.

f) Official Language Awards

The Company's Official Language magazine "Jaltarang" received the Second Prize from the Mumbai Town Official Language Implementation Committee (TOLIC).

MDL was also awarded the Rajbhasha Samman Shield for outstanding implementation of Hindi and promotion of Official Language initiatives.

In addition, the Company received an Appreciation Letter from the Central Translation Bureau for its contribution towards promotion of Hindi.

g) Financial Excellence Awards

The Company received the following prestigious recognitions for excellence in financial management:

(i) India's Most Influential CFO – National Leadership Awards 2026 by Times Aspire.

(ii) Best Overall Financial Performance (Strong Financial Strength) – Governance Now 12th PSU Awards

These recognitions reflect the Company's robust financial performance and sound financial management practices.

h) Annual Report Recognition

MDL received the 4th Edition Best Annual Report Award for Heavy Manufacturing, reflecting excellence in corporate reporting and disclosure practices.

i) Performance Excellence Award 2025 was presented during 25th CEOs Conference at Shillong by Indian Institution of Industrial Engineering

6.2 Official Language Implementation Activities

a) The Company continued its efforts towards effective implementation of the Official Language Policy of the Government of India and promotion of the progressive use of Hindi in official work.

Various awareness programmes, competitions, workshops, training initiatives and incentive schemes were organised during the year to encourage wider use of Hindi across the organisation and strengthen compliance with the Official Language Act, 1963 and the rules framed thereunder.

b) Hindi Fortnight (Hindi Pakhwada) was organised from 15 September 2025 to 30 September 2025.

During the period, various competitions including Hindi Typing, Quiz, Translation, Essay Writing, Storytelling, Poetry Recitation, Crossword, Slogan Writing, Idioms and Phrases, and Singing Competitions were conducted.

Separate competitions were organised for Hindi-speaking and non-Hindi-speaking executives and non-executives to encourage broader participation.

The programme commenced with the ceremonial lighting of the lamp by the Director (Corporate Planning & Personnel).

c) Under the Hindi Teaching Scheme, a total of 34 executives and non-executives successfully qualified in the Praveen, Pragya and Parangat examinations conducted during the November 2025 session.

As part of the Hindi awareness Programmes quiz competition based on the life and works of Munshi Premchand was organised through online mode under the aegis of the Town Official Language Implementation Committee (TOLIC).

Employees actively participated in various programmes and competitions organised by TOLIC and secured awards and recognitions.

d) The Company's Official Language magazine "Jaltarang" continued to serve as an important platform for promoting Hindi literary and creative contributions.

The magazine is published on a half-yearly basis, and contributors are encouraged through awards and honorariums.

e) The various awards and recognitions received under this category reflect MDL's sustained commitment towards promoting Hindi and ensuring effective implementation of the Official Language Policy across the organisation.

7. VIGILANCE

7.1 Vigilance Activities

The Vigilance Department continued to play a proactive role in promoting transparency, accountability, integrity and ethical conduct across the organisation through preventive vigilance initiatives, awareness programmes, system improvement measures and effective complaint management mechanisms.

The Department remained focused on strengthening organisational processes and fostering a culture of integrity in line with the guidelines issued by the Central Vigilance Commission (CVC).

7.2 Vigilance Administration

During FY 2025-26, a total of 17 surprise/spot checks were conducted, resulting in one systemic improvement promulgated by the Competent Authority. Four CTE-type intensive examinations were carried out. In addition, 47 complaints were received and processed in accordance with CVC guidelines; investigations led to four systemic improvements, each formalised through official circulars. Scrutiny of nine Audit Reports/ Paras was undertaken and 27 training sessions were organised to reinforce awareness of rules, regulations, and internal procedures, with 2,474 executives in attendance.

7.3 Vigilance Awareness Week 2025

Vigilance Awareness Week 2025 was observed from 27 October 2025 to 2 November 2025 under the theme "Vigilance: Our Shared Responsibility".

The observance focused on disposal of pending cases, complaint resolution, capacity building, digital initiatives and asset management. The Company also organised various awareness programmes, training sessions and sensitisation initiatives to promote ethical conduct, transparency and accountability among employees and stakeholders. Capacity building remained a priority, with training and sensitisation programmes conducted for over 1,650 employees spanning executives, non-executives, security staff, and apprentices. Topics covered included procurement, preventive vigilance, disciplinary procedures, POSH etc. An additional 6,747 online courses were completed by employees through the iGOT platform.

7.4 Digital Vigilance Initiatives

The Company continued to leverage technology to strengthen transparency, improve monitoring and enhance operational efficiency.

Digital initiatives undertaken during the year included systems relating to:

- SAP-integrated attendance management
- Bid monitoring
- Digital medical records
- Internal audit digitisation

These initiatives contributed towards improved governance and process efficiency.

On the digital front, MDL introduced systems for SAP-integrated attendance, bid monitoring, digital medical records, and internal audit digitisation. Asset reviews confirmed the integrity of fixed and movable assets, with obsolete items disposed of in accordance with prescribed rules.

7.5 Participative Vigilance

The Vigilance Department continued to promote participative vigilance through employee engagement and stakeholder outreach programmes.

Integrity Pledge campaigns, awareness activities, competitions and educational outreach initiatives were organised during the year to reinforce ethical values and vigilance awareness.

Awareness sessions were also conducted at four educational institutions, with 508 students participating in various competitions.

A total of 2,747 employees, 159 citizens, and 26 customers reaffirmed their commitment to ethical conduct by taking the Integrity Pledge. Internal engagement initiatives included quiz competitions, essay writing, poster making, drawing participation from over 500 employees and skit performances by the Mazagon Dock Sports Club.

Capacity Building and Awareness:

Capacity building remained a key focus area during the year. Training programmes and awareness sessions were organised covering subjects such as:

a) Procurement procedures

b) Preventive vigilance

c) Disciplinary procedures

d) POSH compliance

e) Governance and ethics

The programmes were attended by employees across different categories and contributed towards strengthening awareness of vigilance and compliance requirements.

7.7 Knowledge Sharing and Stakeholder Engagement

The Department continued publication of its vigilance journal "Sucharita", providing a platform for dissemination of best practices and knowledge sharing in the areas of governance, ethics and vigilance administration.

Vendor and contractor grievance redressal meetings were also organised to strengthen transparency and stakeholder engagement.

Vigilance Awareness messages were disseminated through banners, social media, bulk SMS, and official correspondence. Collectively, these efforts reflect the Department's commitment to embedding a culture of integrity across the organisation and its broader ecosystem.

7.8 Vigilance Commitment

The Vigilance Department remains committed to fostering a culture of integrity, transparency and accountability across the organisation and will continue to strengthen preventive vigilance measures through awareness, system improvements and stakeholder engagement initiatives.

8. STATUTORY AND REGULATORY DISCLOSURES

8.1 Management Discussion & Analysis Report

As per Regulation 34(2) (e) of the SEBI Listing Regulations, the Management Discussion and Analysis Report is available under Appendix 'G' to this Report.

8.2 Risk Management

The Company has established a comprehensive Risk Management Framework for identification, assessment, monitoring and mitigation of risks that may impact achievement of its strategic, operational, financial and compliance objectives. The risk management framework enables proactive identification and management of emerging risks and supports informed decision-making across the organisation. Details of the Company's risk management practices are provided in the Management Discussion and Analysis Report forming part of this Annual Report.

As per Regulation 21 of the SEBI Listing Regulations, the Company has constituted a Risk Management Committee. The Risk Management Committee assists the Board in overseeing the risk management process and ensuring effective implementation of mitigation measures. Details of its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report.

8.3 Details of any application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year –

NIL

8.4 Details of the difference between the amount of valuation done at the time of one-time settlement and the valuation done while taking loans from banks or financial institutions, along with the reasons for such differences - Not applicable

8.5 Compliance with the Maternity Benefit Act, 1961:

Company is fully compliant with the Maternity Benefit Act, 1961.

8.6 Business Responsibility Sustainability Report (BRSR)

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26 has been prepared.

The BRSR reflects the Company's commitment towards responsible business conduct and transparent reporting of environmental, social and governance performance indicators.

BRSR along with reasonable assurance Report of BRSR Core, which is received from Independent Assurance Provider, M/s. Bureau Veritas (India) Pvt. Ltd can be accessed from the Company's website at https://mazagondock.in/English/pages/Business-Responsibility-and-Sustainability-Report

8.7 Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism and Whistle Blower Policy to provide employees with an appropriate mechanism for reporting genuine concerns relating to unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct or other instances of misconduct, if any.

The mechanism provides adequate safeguards against victimisation of persons who avail the mechanism in good faith and ensures direct access to the Chairperson of the Audit Committee in appropriate cases. No person was denied access to the Audit Committee during the year under review.

8.8 Declaration of Compliance with the Code of Conduct of Board of Directors and Senior Management

Declaration by the Chairman and Managing Director (CMD) regarding affirmation of compliance with the Code of Conduct of Board of Directors and Senior Management of the Company, for the year ended 31 March 2026 is attached to this Report at Appendix 'H'.

8.9 CEO & CFO certification:

Pursuant to Regulation 17(8) of SEBI (LODR) Regulations 2015 and the DPE Guidelines, the Compliance Certificate issued by the CEO & CFO on the Financial Statements and Internal Controls related to the financial reporting for the FY 2025-26 is attached to this Report at Appendix 'I'.

9. ACKNOWLEDGMENT:

The Board places on record its sincere appreciation for the continued support and guidance received from the Government of India, Ministry of Defence, Indian Navy, Department of Public Enterprises, Comptroller and Auditor General of India, statutory and regulatory authorities, shareholders, customers, bankers, suppliers, business associates and all other stakeholders.

The Board also expresses its gratitude to employees at all levels for their dedication, commitment and contribution towards the Company's continued success.

The Directors look forward to the continued support of all stakeholders as the Company pursues its strategic objectives and contributes to India's vision of self-reliance and global leadership in the maritime and defence sectors.

For and on behalf of the Board

Sd/-
Capt. Jagmohan (Retd.)
Chairman & Managing Director
DIN: 08630668

Place: Mumbai
Date: 30 July 2026

Appendix 'A' to the Board's Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2O14)
Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part 'A' Subsidiaries

(₹ in Lakh)

Sr. No.	Particulars				
1	Name of the Subsidiary	Colombo Dockyard PLC	DOCKYARD GENERAL ENGINEERING SERVICES LIMITED	DOCKYARD TOTAL SOLUTION (PRIVATE) LIMITED	CEYLON SHIPPING AGENCY (PRIVATE) LIMITED
2	The date since when subsidiary was acquired	19.01.2026	19.01.2026	19.01.2026	19.01.2026
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	19th January, 2026 to 31st March 2026	19th January, 2026 to 31st March 2026	19th January, 2026 to 31st March 2026	19th January, 2026 to 31st March 2026
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	LKR (Sri Lankan Rupees) INR 1 = LKR 3.3244	LKR (Sri Lankan Rupees) INR 1 = LKR 3.3244	LKR (Sri Lankan Rupees) INR 1 = LKR 3.3244	SGD (Singaporean Dollars) SGD 1= INR 73.4744
5	Share Capital*	40,052	148	1	35
6	Reserve & Surplus^	(2,068)	5,568	(576)	1126
7	Total Assets^	104,808	10,232	1,643	1536
8	Total Liabilities^	65,819	4,513	2,218	372
9	Investments^	107	-	-	-
10	Turnover**	15,524	1,489	255	4437
11	Profit Before taxation**	(1,206)	27	(43)	(72)
12	Provision for taxation**	(25)	3	-	-
13	Profit after taxation**	(1,231)	30	(43)	(72)
14	Proposed Dividend	-	-	-	-
15	% of Shareholding	51%	100%	100%	51%
		MDL's shareholding	CDPLC's shareholding	CDPLC's shareholding	CDPLC's shareholding
Name of subsidiaries which are yet to commence operations		NA	NA	NA	NA
Names of subsidiaries which have been liquidated or sold during the year		NA	NA	NA	NA

Part 'B' Associates & Joint Ventures

Sr. No.	Name of Associate	GOA SHIPYARD LIMITED
1	Latest audited Balance Sheet Date	31 March 2026
2	Date on which the Associate or Joint Venture was associated or acquired	18 November 1967*
3	Shares of Associates held by the company on the year end:	
	Numbers	54957600
	Amount of Investment in Associates	600
	Extent of Holding %	47.21%
4	Description of how there is significant influence	Voting Rights
5	Reason why the associate/Joint venture is not consolidated.	-
6	Net worth attributable to shareholding as per latest audited Balance Sheet	91425
7	Profit or Loss for the year	
	i. Considered in Consolidation	15648
	ii. Not Considered in Consolidation	17497
Names of associates or joint ventures which are yet to commence operations.		NA
Names of associates or joint ventures which have been liquidated or sold during the year.		NA

***Date of first acquisition of the shares**

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W / W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

Date: 30 April 2026
Place: Mumbai
UDIN: 26102789DVHJVC2104

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan, (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance)
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

Appendix 'B' to the Board's Report

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan, (Retd.)
Chairman and Managing Director
DIN: 08630668

Date: 30 July 2026
Place: Mumbai

Appendix 'C' to the Board's' Report

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance philosophy of the company is founded on the principles of integrity, transparency, accountability, ethical conduct, fairness and timely, adequate and accurate disclosures. The Company believes that good corporate governance enhances stakeholders' trust, protects shareholders' interests and contributes to sustainable growth and long-term value creation.

The Company is committed to maintaining high standards of corporate governance through effective compliance management, transparent decision-making processes, sound internal controls and adherence to applicable laws and regulations. The Company also recognizes its responsibility towards all stakeholders and endeavours to conduct its business in a fair and socially responsible manner.

The Company continuously strives to strengthen its governance framework and align its business practices with the evolving regulatory and governance standards. The Company ensures equitable treatment of all shareholders and facilitates timely dissemination of relevant information to enable informed decision-making.

Being a listed Central Public Sector Enterprise (CPSE), the Company complies with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] and the Corporate Governance Guidelines issued by the Department of Public Enterprises (DPE), as amended from time to time.

This Corporate Governance Report is presented in compliance with Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 and the applicable guidelines on Corporate Governance for CPSEs issued by the DPE.

2. BOARD OF DIRECTORS:

The Company being a Government Company, the power to appoint all the Directors vests with the President of India acting through the Ministry of Defence.

As on 31 March 2026, the Board of Directors of the Company comprised of five Whole-time/ Functional Directors including Chairman & Managing Director (CMD), one Government Nominee Director and three Independent Directors including 1 Independent Woman Director.

(a) Composition of Board of Directors

As on 31 March 2026, the composition of the Board of Directors of the company was as under:

Sr. No.	Name of the Director	DIN
Whole-time/ Functional Directors (Executive)		
1	Capt. Jagmohan (Retd.) Chairman & Managing Director	08630668
2	Shri Biju George Director (Operations)*	09343562
3	Cdr. Vasudev Puranik, IN (Retd.) Director (Corporate Planning & Personnel)	09623387
4	Shri Ruchir Agrawal Director (Finance) & CFO	10166533
5	Cmde. S B Jamgaonkar (Retd.) Director (Technical)*	11017821
Government Nominee Director (Non-Executive)		
6	Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP	08590061
Independent Directors (Non-Executive)		
7	Dr. Vivek Atul Bhuskute	09417992
8	Smt. Veni Thapar	01811724
9	Shri Kedarnath Gupta	06460508

*Pursuant to organisational restructuring of the company, Director (Shipbuilding) was re-designated as Director (Operations) and Director (Submarine & Heavy Engineering) as Director (Technical) w.e.f. 12 May 2026.

Notes:

- Capt. Jagmohan (Retd.) was appointed as Chairman & Managing Director w.e.f. 21 April 2025.
- Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP ceased to be the Director of the company and in his place Shri Dinesh Mahur, Additional Secretary, Defence Production, MoD (DIN: 10862645) was appointed as the Government Nominee Director w.e.f. 30 April 2026.
- Shri Sambasiva Rao Chandu (DIN: 02296283) ceased to be an Independent Director on the Board of the Company w.e.f. 23 January 2026 on account of resignation.
- Shri Dattaprasad Kholkar (DIN: 10054086) ceased to be an Independent Director on the Board of the Company w.e.f. 23 February 2026 on account of completion of his tenure as stipulated by the government.
- Dr. Vivek Atul Bhuskute and Smt. Veni Thapar were appointed as Independent Directors on the Board of the Company w.e.f. 21 April 2025. They ceased to be Independent Directors w.e.f. 21 April 2026 on completion of their tenure as stipulated by the Government.
- Shri Kedarnath Gupta was appointed as Independent Director on the Board of the Company w.e.f. 21 May 2025.

There are no inter-se relationships between the Board members.

(b) Details of Directorship and Committee Membership of Directors

The details of the other Directorships and Committee Memberships/ Chairmanships held by the directors in which a director is a member or chairperson as on 31 March 2026 are set out below:

Sr. No.	Directors	No. of Other Directorships[1]	Directorship in other Listed Entities & Category	No. of Committee Positions held[2]	
				Chairperson	Member
Whole-time/ Functional Directors (Executive)					
1	Capt. Jagmohan (Retd.)	1	0	0	0
2	Shri Biju George	1	0	0	2
3	Cdr. Vasudev Puranik, IN (Retd.)	0	NA	0	1
4	Shri Ruchir Agrawal	1	0	0	1
5	Cmde. S B Jamgaonkar (Retd.)	0	NA	0	0
Government Nominee Director (Non-Executive)					
6	Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP	2	Nominee Director in Garden Reach Shipbuilders & Engineers Limited	0	0
Independent Directors (Non-Executive)					
7	Shri Dattaprasad Kholkar	0	NA	1	1
8	Shri Sambasiva Rao Chandu	0	NA	0	1
9	Dr. Vivek Atul Bhuskute	0	NA	0	1
10	Smt. Veni Thapar	4	Independent Director in S.J.S. Enterprises Limited & Bandhan Bank Limited	2	4
11	Shri Kedarnath Gupta	0	NA	1	1

[1] Includes directorship in body corporates.

[2] In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015, membership/ chairmanship of only Audit Committee and Stakeholders Relationship Committee in all public limited companies, whether listed or not, have been considered.

Notes:

i. Details of directorship and the Committee memberships/ chairmanships have been provided with reference to the date of cessation or 31 March 2026, whichever is earlier;

ii. None of the Directors serves as a director in more than 10 public companies at the same time;

iii. None of the Directors serves as a director/ independent director in more than 7 listed entities;

iv. None of the Directors is a member in more than 10 Committees or Chairperson of more than 5 Committees, across all the listed entities in which he/ she is a director.

(c) Meetings and attendance of the Board of Directors

During the Financial Year 2025-26, the Board met on seven occasions on 08 April 2025, 29 May 2025, 27 June 2025, 28 July 2025, 27 October 2025, 09 January 2026 and 05 February 2026, respectively.

The attendance of Directors at the Board Meetings and the 92nd Annual General Meeting (AGM) held during the Financial Year 2025-26 is given below:

Sr. No.	Directors	Board Meeting(s) held during respective tenure of Director	No. of Board Meeting(s) attended	% age of attendance	Attendance at 92nd AGM
Whole-time/ Functional Directors (Executive)					
1	Capt. Jagmohan (Retd.)	6	6	100	Yes
2	Shri Biju George	7	7	100	Yes
3	Cdr. Vasudev Puranik, IN (Retd.)	7	7	100	Yes
4	Shri Ruchir Agrawal	7	7	100	Yes
5	Cmde. S B Jamgaonkar (Retd.)	7	7	100	Yes
Government Nominee Director (Non-Executive)					
6	Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP	7	5	71.43	No
Independent Directors (Non-Executive)					
7	Shri Dattaprasad Kholkar	7	7	100	Yes
8	Shri Sambasiva Rao Chandu	6	6	100	Yes
9	Dr. Vivek Atul Bhuskute	6	6	100	Yes
10	Smt. Veni Thapar	6	6	100	Yes
11	Shri Kedarnath Gupta	6	6	100	Yes

(d) Details of shares held by non- executive directors.

As on 31 March 2026, number of shares held by the non- executive directors in the company is as under:

Sr. No.	Name of Non- Executive Directors	No. of shares held
1	Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP	Nil
2	Shri Dattaprasad Kholkar*	Nil
3	Shri Sambasiva Rao Chandu*	Nil
4	Dr. Vivek Atul Bhuskute	43
5	Smt. Veni Thapar	Nil
6	Shri Kedarnath Gupta	Nil

* Since, Shri Sambasiva Rao Chandu and Shri Dattaprasad Kholkar ceased to be Independent Directors on the Board of the Company w.e.f. 23 January 2026 and 23 February 2026, respectively, details of their holdings mentioned above refers to position as on the date of their cessation from the Board of the Company.

(e) Familiarization Programmes for Independent Directors

The Company provides various familiarization/ training programmes from time to time for the Independent Directors in order to familiarize them with their role, rights, responsibilities, business model, nature of the industry in which the Company operates etc.

The details of the familiarization programme for Independent Directors are available on the Company's website at https://mazagondock.in/images/pdf/mdl-familiarisation-programme-for-ind-directors.pdf.

(f) Skills/ Expertise/ Competence of the Board of Directors

Mazagon Dock Shipbuilders Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 and operates under the administrative control of the Ministry of Defence, Department of Defence Production. The appointment of Directors on the Board, including Independent Directors, is made by the Government of India in accordance with the applicable statutory provisions, guidelines and procedures.

In the case of Functional Directors, the qualifications, experience and other eligibility criteria are determined by the Government of India, and appointments are made through the prescribed selection process. Similarly, the appointment, re-appointment, terms and conditions of appointment, evaluation, and remuneration of other Directors are governed by the applicable statutory provisions, Government guidelines and the decisions of the competent authority.

Accordingly, the composition of the Board reflects the qualifications, experience and expertise considered appropriate by the appointing authority, having regard to the Company's business requirements and the applicable statutory and regulatory framework.

(g) In the opinion of the Board, it is confirmed that the independent directors fulfill the conditions specified under SEBI (LODR) Regulations, 2015 and are independent of the management.

(h) Detailed reasons for the resignation of Independent Director

During the year under review, Shri Sambasiva Rao Chandu (DIN-02296283), Independent Director, resigned from his office citing personal and unavoidable circumstances.

He has confirmed that there is no material reason for his resignation other than those stated above.

3. AUDIT COMMITTEE:

a) Brief description of terms of reference

The role of the Audit Committee includes the following:

i. Oversight of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;

ii. Recommendation to the Board for fixation of remuneration to the Auditors;

iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

iv. Reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) Changes, if any, in Accounting Policies and practices and reasons for the same;

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

(d) Significant adjustments made in the Financial Statements arising out of audit findings;

(e) Compliance with Listing and other Legal requirements relating to Financial Statements;

(f) Disclosure of any Related Party Transactions;

(g) Modified opinion(s) in the Draft Audit Report.

v. Reviewing, with the Management, the quarterly/ half yearly Financial Statements before submission to the Board for approval;

vi. Reviewing with the Management, the statement of uses/ application of funds raised through an issue (i.e., public issue, rights issue, preferential issue etc.), the Statement of funds utilized for purposes other than those stated in the offer document/ prospectus, notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a Public or Rights Issue and making appropriate recommendations to the Board to take up steps in these matters;

vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the Company with related parties;

ix. Scrutiny of Inter-Corporate Loans and Investments;

x. Valuation of undertakings or Assets of the Company wherever it is necessary;

xi. Evaluation of Internal Financial Controls and Risk Management Systems;

xii. Reviewing with the Management, performance of Internal Auditors, adequacy of the Internal Control Systems;

xiii. Appointment and removal of Internal Auditors and determining the scope of Internal Audit in consultation with the Internal Auditors;

xiv. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xv. Discussion with Internal Auditors of any significant findings and follow up there on;

xvi. Review the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;

xvii. Review observations of statutory, internal & government auditors and provide recommendations based on the same;

xviii. To review the follow up action on the audit observations of the C&AG audit;

xix. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xx. To look into the reasons for substantial defaults in the payment of the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividend and creditors);

xxi. To review the functioning of the Whistle Blower Mechanism;

xxii. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the candidate;

xxiii. Review and monitor the Auditor's independence and performance and effectiveness of audit process;

xxiv. Examination of the Financial Statements and Auditor's Report thereon;

xxv. Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time;

xxvi. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.

The Audit Committee shall mandatorily review the following information:

i. Management Discussion and Analysis of Financial condition and results of Operations;

ii. Statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by Management;

iii. Management letters/ letters of Internal Control weaknesses issued by the Statutory Auditors;

iv. Internal Audit reports relating to Internal Control weakness;

v. the appointment and removal of the Chief Internal Auditor, shall be subject to review of the Audit Committee;

vi. Statement of deviations:

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015

b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

b) Composition of the Audit Committee

The composition of the Audit Committee as on 31 March 2026 was as follows:

Sr. No.	Name of the Member	Category	Position in the Committee
1.	Smt. Veni Thapar	Independent Director	Chairperson
2.	Dr. Vivek Atul Bhuskute	Independent Director	Member
3.	Shri Biju George	Whole-time/ Functional Director (Executive)	Member

The Director (Finance) is a permanent invitee to the Committee.

Changes in the composition of the Audit Committee are as follows:

- Shri Dattaprasad Kholkar ceased to be the chairperson of the Audit Committee on account of his cessation as an Independent Director on the Board of the Company w.e.f. 23 February 2026 on completion of his tenure as stipulated by the government.
- Shri Sambasiva Rao Chandu was a member of the Audit Committee till 29 May 2025.
- Smt. Veni Thapar was appointed as a member of the committee w.e.f. 29 May 2025 and was appointed as chairperson w.e.f. 23 February 2026. She ceased to be a member of the committee w.e.f. 21 April 2026 on account of cessation of her office as Independent Director of the company due to completion of her tenure as stipulated by the government.
- Dr. Vivek Atul Bhuskute was appointed as a member of the committee w.e.f. 05 February 2026. He ceased to be a member of the committee w.e.f. 21 April 2026 on account of cessation of his office as Independent Director of the company due to completion of his tenure as stipulated by the government.
- As on the date of this report, the Audit Committee could not be constituted in compliance with Regulation 18 of the SEBI (LODR), Regulations 2015 due to insufficient number of Independent Directors on the Board. The appointment of Independent Directors falls under the purview of Government of India. The committee shall be reconstituted upon completion of such appointment.

c) Details of the Meetings and Attendance

During the Financial Year 2025-26, Audit Committee met eight times on 08 April 2025, 28 May 2025, 28 July 2025, 29 August 2025, 24 September 2025, 27 October 2025, 19 November 2025 and 05 February 2026, respectively.

The attendance of each member at the Audit Committee meeting is as follows:

Sr. No.	Name of the Member	Number of meetings held during the tenure of the respective member	Number of meetings attended	%age of attendance
Independent Directors (Non-Executive)				
1	Shri Dattaprasad Kholkar	8	8	100
2	Shri Sambasiva Rao Chandu	2	2	100
3	Smt. Veni Thapar	6	6	100
4	Dr. Vivek Atul Bhuskute	-	-	-
Whole-time/ Functional Directors (Executive)				
5	Shri Biju George	8	8	100

4. NOMINATION AND REMUNERATION COMMITTEE (NRC):

a) Brief description of terms of reference

The terms of reference of NRC are as follows:

i. To identify persons who may be appointed in senior Management in accordance with the criteria laid down & recommend to the Board their appointment and removal;

ii. To recommend to the Board a policy, relating to the remuneration for the Key Managerial Personnel and other employees;

iii. To recommend Annual Bonus/ Performance Pay/ Variable Pay Pool and policy for its distribution across the Executives;

iv. Formulation and modification of schemes for providing perks and allowances for Executives;

v. Any new scheme of compensation to Executives and Non-Executives as the case may be;

vi. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

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

b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

vii. Perform such other activities as may be delegated by the Board and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

viii. Recommend to the board, all remuneration, in whatever form, payable to Senior Management.

b) Composition of the Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee as on 31 March 2026 was as follows:

Sr. No.	Name of the Member	Category	Position in the Committee
1	Shri Kedarnath Gupta	Independent Director	Chairperson
2	Dr. Vivek Atul Bhuskute	Independent Director	Member
3	Smt. Veni Thapar	Independent Director	Member

Director (Corporate Planning & Personnel) is a permanent invitee and Director (Finance) is a special invitee to the Committee.

Changes in the composition of NRC are as follows:

- Shri Sambasiva Rao Chandu ceased to be a member of the committee w.e.f. 23 January 2026 on account of his cessation as Independent Director on the Board of the Company.
- Shri Dattaprasad Kholkar and Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP ceased to be members of the committee w.e.f. 29 May 2025.
- Shri Kedarnath Gupta became a member of the committee w.e.f. 29 May 2025 and was appointed as chairperson of the committee in place of Shri Sambasiva Rao Chandu w.e.f. 09 January 2026.
- Smt. Veni Thapar was appointed as a member of the committee w.e.f. 05 February 2026. She ceased to be a member of the committee w.e.f. 21 April 2026 on account of cessation of her office as Independent Director of the company due to completion of her tenure as stipulated by the government.
- Dr. Vivek Atul Bhuskute was appointed as a member of the committee w.e.f. 29 May 2025. He ceased to be a member of the committee w.e.f. 21 April 2026 on account of cessation of his office as Independent Director of the company due to completion of his tenure as stipulated by the government.
- As on the date of this report, the NRC could not be constituted in compliance with Regulation 19 of the SEBI (LODR), Regulations 2015 due to insufficient number of Independent Directors on the Board. The appointment of Independent Directors falls under the purview of Government of India. The committee shall be reconstituted upon completion of such appointment.

c) Details of Meeting and Attendance

During the Financial Year 2025-26, Nomination and Remuneration Committee met on five occasions on 08 April 2025, 28 May 2025, 27 October 2025, 09 January 2026 and 05 February 2026, respectively.

The attendance of each member at NRC meeting is as follows:

Sr. No.	Name of the Member	Number of meetings held during the tenure of the respective member	Number of meetings attended	%age of attendance
Independent Directors (Non-Executive)				
1	Shri Sambasiva Rao Chandu	4	4	100
2	Shri Dattaprasad Kholkar	2	2	100
3	Dr. Vivek Atul Bhuskute	3	3	100
4	Shri Kedarnath Gupta	3	3	100
5	Smt. Veni Thapar	-	-	-
Government Nominee Director (Non-Executive)				
6	Shri Rajeev Prakash, Joint Secretary (NS), MoD, DDP	2	0	0

d) Performance Evaluation criteria for Independent Directors

Pursuant to the Ministry of Corporate Affairs Notification dated 5 June 2015, Government Companies are exempt from the requirement relating to annual evaluation of the Board, its committees and individual Directors, as the performance of Directors is evaluated by the Administrative Ministry.

However, in terms of Regulation 17(10) of SEBI (LODR) Regulations, 2015, the performance evaluation of Independent Directors for the financial year ended 31 March 2026 was carried by the Board.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

a) Brief description of terms of reference

The terms of reference of SRC are as follows:

i. Resolving the grievances of the Security holders of the Company including complaints relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.,

ii. Review of measures taken for effective exercise of voting rights by the Shareholders.

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent.

iv. Review of the various measures and initiatives taken by the Company for reducing the unclaimed dividends and ensuring timely receipt of Dividend Warrants/ Annual Reports/ Statutory Notices by the Shareholders of the Company.

b) Composition of the Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee as on 31 March 2026 was as follows:

Sr. No.	Name of the Member	Category	Position in the Committee
1	Shri Kedarnath Gupta	Independent Director	Chairperson
2	Shri Biju George	Whole-time/ Functional Director (Executive)	Member
3	Cdr. Vasudev Puranik, IN (Retd.)	Whole-time/ Functional Director (Executive)	Member
4	Shri Ruchir Agrawal	Whole-time/ Functional Director (Executive)	Member

Changes in the composition of SRC are as follows:

- Shri Sambasiva Rao Chandu ceased to be member of the committee w.e.f. 23 January 2026 on account of his cessation as Independent Director on the Board of the Company.
- Shri Kedarnath Gupta was appointed as Chairperson of the committee in place of Shri Sambasiva Rao Chandu w.e.f. 29 May 2025.

c) Details of Meeting and Attendance

During the Financial Year 2025-26, Stakeholders' Relationship Committee met on two occasions on 28 May 2025 and 09 January 2026, respectively.

The attendance of each member at the SRC meeting is as follows:

Sr. No.	Name of the Member	Number of meetings held during the tenure of the respective member	Number of meetings attended	%age of attendance
Independent Directors (Non-Executive)				
1	Shri Sambasiva Rao Chandu	2	2	100
2	Shri Kedarnath Gupta	1	1	100
Whole-time/ Functional Directors (Executive)				
3	Shri Biju George	2	2	100
4	Cdr. Vasudev Puranik, IN (Retd.)	2	2	100
5	Shri Ruchir Agrawal	2	2	100

d) Name, designation and address of the compliance officer

Shri Lalatendu Acharya
Company Secretary and Compliance Officer
Mazagon Dock Shipbuilders Limited
Dockyard Road, Mumbai 400 010
Maharashtra
Tel: +91 22 2376 2015
E-mail: investor@mazdock.com

e) Details of shareholders' complaints

The status of total number of shareholders complaints received and resolved during Financial Year 2025-26 is as follows:

Particulars	Number
Number of shareholders' complaints received during the Financial Year 2025-26	8
Number of shareholders' complaints resolved during the Financial Year 2025-26	7
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of pending complaints as on 31 March 2026	1

The Company has designated an exclusive e-mail id i.e., investor@mazdock.com for redressal of shareholders'/ investors' complaints/ grievances as per the Investors Grievance Redressal Mechanism available at https://mazagondock.in/images/pdf/Investor%20Grievance%20Redressal%20Mechanism.pdf

6. RISK MANAGEMENT COMMITTEE (RMC):

a) Brief description of terms of reference

The scope and terms of reference of RMC is as follows:

i. Framing, implementing, monitoring and reviewing periodically the Risk Management and mitigation policies of the Company's operations.

ii. Reviewing of reports from regulatory agencies related to Risk Management and Compliance issues and the Management responses.

iii. Formulate policies and procedures establishing the Risk Management Governance, Risk Management procedures and Risk control infrastructure for operations.

iv. Review significant risk exposures and steps, including policies and procedures, the Management has undertaken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, Technology (data security, information, business continuity risk, etc.).

v. Review and evaluate the Company's practices with respect to Risk Assessment and Risk Management.

b) Composition of the Risk Management Committee

The composition of the Risk Management Committee as on 31 March 2026 was as follows:

Sr. No.	Name of the Member	Category	Position in the Committee
1	Smt. Veni Thapar	Independent Director	Chairperson
2	Shri Biju George	Whole-time/ Functional Director (Executive)	Member
3	Cdr. Vasudev Puranik, IN (Retd.)	Whole-time/ Functional Director (Executive)	Member
4	Shri Ruchir Agrawal	Whole-time/ Functional Director (Executive)	Member
5	Cmde. S B Jamgaonkar (Retd.)	Whole-time/ Functional Director (Executive)	Member
6	Shri B K Sinha	Non-Board Level Executive (General Manager)	Member

Changes in the composition of the Risk Management Committee are as follows:

- Smt. Veni Thapar was appointed as Chairperson of the committee w.e.f. 29 May 2025 in place of Shri Biju George.
- Shri Kedarnath Gupta was appointed as Chairperson of the committee w.e.f. 21 April 2026 in place of Smt. Veni Thapar as she ceased to be an Independent Director on the Board of the company on account of completion of her tenure as stipulated by the Government.
- In place of Shri B K Sinha, General Manager (Corporate Planning), Shri R R Kumar, Executive Director (Production) was appointed as a member of the committee w.e.f. 08 May 2026.

c) Details of Meetings and Attendance

During the Financial Year 2025-26, three Risk Management Committee Meetings were held on 27 June 2025, 29 August 2025 and 24 March 2026, respectively.

The attendance of each member at the Risk Management Committee meeting is as follows:

Sr. No.	Name of the Member	Number of meetings held during the tenure of the respective member	Number of meetings attended	%age of attendance
Independent Directors (Non-Executive)				
1	Smt. Veni Thapar	3	3	100
Whole-time/ Functional Directors (Executive)				
2	Shri Biju George	3	3	100
3	Cdr. Vasudev Puranik, IN (Retd.)	3	3	100
4	Shri Ruchir Agrawal	3	3	100
5	Cmde. S B Jamgaonkar (Retd.)	3	3	100
6	Shri B K Sinha	3	3	100

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

a) Brief description of terms of reference

The scope and terms of reference of the CSR Committee as guided by the requirements of Section 135 of the Companies Act, 2013 and the guidelines issued by the Department of Public Enterprises are as follows:

i. To recommend the amount of expenditure to be incurred on the activities referred under Schedule VII of the Companies Act, 2013; and

ii. To monitor the Corporate Social Responsibility Policy of your Company from time to time.

b) Composition of the Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility Committee as on 31 March 2026 was as follows:

Sr. No.	Name of the Member	Category	Position in the Committee
1	Dr. Vivek Atul Bhuskute	Independent Director	Chairperson
2	Shri Ruchir Agrawal	Whole-time/ Functional Director (Executive)	Member
3	Cdr. Vasudev Puranik, IN (Retd.)	Whole-time/ Functional Director (Executive)	Member

Changes in the composition of CSR Committee are as follows:

- Dr. Vivek Atul Bhuskute was appointed as a Chairperson of the Committee in place of Shri Dattaprasad Kholkar w.e.f. 29 May 2025.
- Shri Sambasiva Rao Chandu ceased to be member of the committee w.e.f. 29 May 2025.
- Shri Dattaprasad Kholkar ceased to be a member of the Committee on account of his cessation as an Independent Director on the Board of the Company w.e.f. 23 February 2026 on completion of his tenure as stipulated by the Government.
- Shri Kedarnath Gupta was appointed as Chairperson of the committee w.e.f. 21 April 2026 in place of Dr. Vivek Atul Bhuskute as he ceased to be an Independent Director on the Board of the company on account of completion of his tenure as stipulated by Government.

c) Details of Meetings and Attendance

During the Financial Year 2025-26, four Corporate Social Responsibility Committee Meetings were held on 28 May 2025, 27 October 2025, 09 January 2026 and 25 March 2026, respectively.

The attendance of each member at the Corporate Social Responsibility Committee meeting is as follows:

Sr. No.	Name of the Member	Number of meetings held during the tenure of the respective member	Number of meetings attended	%age of attendance
Independent Directors (Non-Executive)				
1	Shri Sambasiva Rao Chandu	1	1	100
2	Shri Dattaprasad Kholkar	3	3	100
3	Dr. Vivek Atul Bhuskute	3	3	100
Whole-time/ Functional Directors (Executive)				
4	Shri Ruchir Agrawal	4	4	100
5	Cdr. Vasudev Puranik, IN (Retd.)	4	4	100

8. OTHER NON-STATUTORY COMMITTEES:

Apart from the statutory committees, the Board has also constituted the following non-statutory Committees and power has been delegated for smooth operation of the Company:

- Investment Committee
- Procurement Sub Committee

9. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR ARE PROVIDED BELOW:

(As on 31.03.2026)

Name	Grade	Remark
Shri Rajiv Ranjan Kumar	Executive Director	
Shri Vinod A	Executive Director	
Shri Arun Kumar Chand	Executive Director	Promoted to the position of Executive Director on 01 June 2025
Shri Thomas E R	Executive Director	Promoted to the position of Executive Director retrospectively from 01 July 2025
Shri Chandra Vijay Srivastava	General Manager	
Shri Saurabh Kumar Gupta	General Manager	
Shri Sanjay Kumar Singh	General Manager	
Shri Dhanaraj P	General Manager	
Shri Sanjay Kumar	General Manager	
Shri Vincent Mark D'souza	General Manager	
Shri Binay Sinha	General Manager	
Shri M C Jayaprakash	General Manager	
Shri Hare Ram Singh	General Manager	
Shri Venkatesan Pillay	General Manager	
Shri Asif Iqbal Quraishi	General Manager	
Shri Shyamacharan Mandal	General Manager	
Shri M A Hidayathullah	General Manager	
Shri P Srinivas Rao	General Manager	
Shri Rajesh Bhardwaj	General Manager	
Shri Shriniwas Sinha	General Manager	Promoted to the position of General Manager on 01 June 2025
Smt. Devi Nair	General Manager	Promoted to the position of General Manager retrospectively from 01 July 2025
Smt. Alice Kurian	General Manager	Promoted to the position of General Manager retrospectively from 01 July 2025
Shri Debasish Hazra	General Manager	Promoted to the position of General Manager retrospectively from 01 January 2026
Shri Raj Prakash Negi	Additional General Manager (Legal Advisor)	
Shri Avadhoot Karanjkar	Additional General Manager (Internal Audit)	Appointed as HoD (Internal Audit) w.e.f. 12 May 2025
Shri Lalatendu Acharya	Company Secretary and Compliance Officer	Appointed as Company Secretary and Compliance Officer w.e.f. 01 June 2025
Smt. Madhavi Kulkarni	Company Secretary and Compliance Officer	Company Secretary and Compliance Officer till 31 May 2025

10. REMUNERATION OF DIRECTORS

Being a CPSE, as per Article 85(a) of the Articles of Association of the Company, the Directors on the Board of the Company are appointed by the Honourable President of India. The Directors shall be paid such remuneration as the President may, from time to time determine.

The details of remuneration paid to the Functional Directors during the Financial Year 2025-26 is as follows:

Amount in ₹

Sr. No.	Name of the Director	Period of Service Contract	Salary & perquisites	Variable Pay (PRP)	Retirement & Other benefits	Total
1	Capt. Jagmohan (Retd.)	Till date of superannuation i.e., 30.09.2029, or until further orders, whichever is earlier	69,68,016	-	9,48,761	79,16,778
2	Shri Biju George	5 years from the date of assumption of charge, or until the date of superannuation or until further orders, whichever is earliest	69,82,548	23,21,214	13,89,521	1,06,93,283
3	Cdr. Vasudev Puranik, IN (Retd.)	5 years from the date of assumption of charge, or until the date of superannuation or until further orders, whichever is earliest	74,84,454	26,79,416	16,39,330	1,18,03,200
4	Shri Ruchir Agrawal	5 years from the date of assumption of charge, or until further orders, whichever is earlier	69,06,238	2,05,774	7,88,512	79,00,524
5	Cmde. S B Jamgaonkar (Retd.)	Till date of superannuation i.e., 30.04.2027, or until further orders, whichever is earlier	48,63,671	16,57,151	8,36,291	73,57,113

The pay and allowances of Board level executives including Performance Related Pay (PRP) and other terms and conditions of appointment of Whole Time Directors such as other benefits and perquisites, notice period, severance fee, etc are as per the letter issued by the Administrative Ministry (Ministry of Defence) in line with the government guidelines.

The Performance Related Pay (PRP) mentioned in the above table pertains to the Financial Year 2024-25, paid during the Financial Year 2025-26. The PRP paid to the Whole Time Directors is as applicable to all executives and framed in line with the DPE Guidelines.

Government Nominee Director (Non-Executive) are not entitled to any remuneration/ sitting fees as per the DPE guidelines.

Independent Directors (Non-Executive) are paid a sitting fee of ₹35,000 for attending each Board Meeting and ₹30,000 for attending each Committee meeting of the Board w.e.f. 23 July 2024.

The company has not entered into any transactions with any Director that may have potential conflict with the interest of the Company at large. The Members of the Board including Non-Executive Directors, apart from receiving Directors' Remuneration and sitting fees (wherever applicable), do not have any material or pecuniary relationship or transaction with the company which in the judgment of the Board may affect independence of judgment of the Directors.

During the Financial Year 2025-26, sitting fees paid to the Independent Directors (Non-Executive) for attending the Board and Committee Meetings is as follows:

Amount in ₹

Sr. No.	Name of the Director	Board Meetings	Committee Meetings	Total Remuneration
1	Shri Dattaprasad Kholkar	2,45,000	4,80,000	7,25,000
2	Shri Sambasiva Rao Chandu	2,10,000	3,30,000	5,40,000
3	Dr. Vivek Atul Bhuskute	2,10,000	2,10,000	4,20,000
4	Smt. Veni Thapar	2,10,000	3,00,000	5,10,000
5	Shri Kedarnath Gupta	2,10,000	1,50,000	3,60,000

The Company does not pay any commission to its directors. The Company has not issued any stock options to its directors.

Apart from receiving the sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the Financial Year 2025-26.

11. GENERAL BODY MEETINGS:

(a) Location and time, where last three annual general meetings held

The details of last three Annual General Meetings of the company are as follows:

Financial Year	Date and Time of the Meeting	Location of the Meeting
2022-23	27 September 2023 at 1100 hrs	Virtual Meeting through Video Conferencing/ Other Audio-Visual Means
2023-24	26 September 2024 at 1100 hrs	
2024-25	26 September 2025 at 1100 hrs	

(b) Special resolutions passed in the previous three annual general meetings

Following Special Resolution(s) were passed in the last three Annual General Meetings of the Company:

i. Appointment of Shri Dattaprasad Kholkar (DIN: 10054086), as an Independent Director of the Company.

ii. Appointment of Shri Sambasiva Rao Chandu (DIN: 02296283), as an Independent Director of the Company.

iii. Alteration of Articles of Association of the Company in view of attainment of Navratna Status.

iv. Alteration of Articles of Association of the Company in view of Rectifications.

v. Appointment of Dr. Vivek Atul Bhuskute (DIN: 09417992), as an Independent Director of the Company.

vi. Appointment of Smt. Veni Thapar (DIN: 01811724), as an Independent Director of the Company.

vii. Appointment of Shri Kedarnath Gupta (DIN: 06460508), as an Independent Director of the Company.

(c) Details of special resolution passed last year through postal ballot

No Special Resolution was passed last year through postal ballot.

(d) Person who conducted the postal ballot exercise: NA

(e) Special resolution is proposed to be conducted through postal ballot

At present, there is no proposal to pass any special resolution through Postal Ballot.

(f) Procedure for postal ballot: NA

12. MEANS OF COMMUNICATION

Timely disclosure of relevant and reliable information on corporate financial performance is ensured and the major steps taken are as under:

(a) Quarterly, Half-yearly and Annual Results:

The Company regularly uploads its Financial Results with the Stock Exchanges, in compliance with the SEBI (LODR) Regulations, 2015. These Financial Results are published in at least one leading English newspaper having wide circulation across the Country and at least one regional newspaper having wide circulation across Mumbai. The results are also available on the Company's website.

(b) Newspapers wherein results normally published:

The Financial Results are normally published in Business Standard and Mumbai Chauffer/ Prahar/ Navakal.

(c) Website, where displayed:

The Company's website http://mazagondock.in contains separate dedicated section for investors where information relating to financial performance, annual reports, corporate governance reports, policies, general meetings, details of unclaimed dividend etc. are provided.

(d) News Releases, Presentations, etc.:

The official news release, detailed presentations made to media, institutional investors, financial analysts etc. are also available on the Company's website.

13. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting - Date, time and venue

The 93rd Annual General Meeting of the Company for the Financial Year 2025-26 will be held through Video Conferencing/ Other Audio-Visual Means in compliance with the applicable provisions of the Act, SEBI (LODR) Regulations, 2015, MCA Circulars and SEBI Circulars on Thursday, 27 August 2026 at 11:00 a.m. (IST).

(b) Financial year

01 April of each year till 31 March of the next year.

Tentative schedule for declaration of financial results during the Financial Year 2026-27:

Quarter ending 30 June 2026	August 2026
Quarter and half year ending 30 September 2026	November 2026
Quarter and nine-months ending 31 December 2026	February 2027
Quarter and financial year ending 31 March 2027	May 2027

(c) Dividend payment date

For the Financial Year 2025-26, the Company has declared Interim dividend of ₹6/- per equity share of ₹5/- each in October 2025 and second interim dividend of ₹7.5/- per equity share of ₹5/- each in February 2026 and the same was paid within the prescribed period of 30 days from the date of declaration. The Final dividend of ₹4.62/- per equity share of ₹5/- each for the Financial Year 2025-26 has been recommended by the Board of Directors to Members for their approval.

If approved at the AGM, the same shall be paid to the eligible Members/ Beneficial Owners on or before 26 September 2026.

Record date: Thursday, 20 August 2026

(d) Name and address of stock exchange(s) where securities are listed and a confirmation about payment of annual listing fee

The Company's Equity Shares are listed on two Stock Exchanges in India viz.:

(a) BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

(b) National Stock Exchange of India Limited
Exchange Plaza, C/1, Block-G
Bandra Kurla Complex, Bandra East
Mumbai 400 051

The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges viz. NSE and BSE and Depositories viz. NSDL and CDSL, respectively for the Financial Years 2025-26 and 2026-27.

(e) Details of securities suspended from trading: Not Applicable

(f) Registrar to an issue and share transfer agents

The Company has appointed M/s Alankit Assignments Limited as the Registrar & Transfer Agent (RTA). For share related matters, Members are requested to correspond with the Company's RTA quoting their DP ID & Client ID at the following addresses:

M/s Alankit Assignments Limited
205-208 Anarkali Complex,
Jhandewalan Extension,
New Delhi – 110055
Tel: +911- 42541100; 42541234
Fax: +911-23552001
Email id: rta@alankit.com

(g) Share transfer system

Activities relating to share transfers are carried out by M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agents of the Company who have arrangements with the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. The transfer of securities would be carried out in dematerialized form in accordance with the amended Regulation 40 of the SEBI (LODR) Regulations, 2015.

(h) Shareholding details of the company

Distribution of equity shareholding as on 31 March 2026 is as follows:

Range of holdings	Number of shareholders		Number of shares	
	Holders	%	Shares	%
1 - 500	8,19,513	98.74	3,01,80,117	7.48
501 - 1000	6,389	0.77	46,83,442	1.16
1001 - 2000	2,476	0.30	36,15,581	0.90
2001 - 3000	618	0.07	15,37,369	0.38
3001 - 4000	326	0.04	11,65,187	0.29
4001 - 5000	151	0.02	6,89,284	0.17
5001 - 10000	282	0.03	20,59,124	0.51
10001 - 20000	113	0.01	15,48,283	0.38
20001 and above	138	0.02	35,79,01,613	88.73
TOTAL	**8,30,006**	**100.00**	**40,33,80,000**	**100.00**

Category-wise shareholding as on 31 March 2026 is as follows:

Category	Number of shares held	%
Promoters	32,76,18,501	81.22
Individuals	4,26,06,045	10.56
Insurance Companies	1,43,55,715	3.56
Foreign Portfolio - Corp.	69,93,510	1.73
Other Mutual Fund	61,47,308	1.52
Domestic Companies	25,35,577	0.63
HUF	11,24,917	0.28
NRI Rep	9,90,816	0.25
NRI Non-Rep	5,59,383	0.14
Clearing Members	2,32,735	0.06
Employees	81,855	0.02
Limited Liability Partnership (LLP)	62,739	0.02
Nationalised Banks	27,673	0.01
Qualified Institutional Buyer	20,690	0.00
Alternative Investment Fund	11,891	0.00
Trusts	6,506	0.00
Central Government	2,940	0.00
Foreign National/ Entity	959	0.00
Other Bank	140	0.00
Foreign Bodies	100	0.00
Total	**40,33,80,000**	**100.00**

Top 10 Shareholders as on 31 March 2026 is as follows:

Name of the Shareholder	Number of shares held	%
The President of India	32,76,18,501	81.22
Life Insurance Corporation of India	1,32,01,576	3.27
Mkt Capital LP	11,50,000	0.29
Vanguard Total International Stock Index Fund	11,10,629	0.28
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	10,49,642	0.26
Motilal Oswal Nifty India Defence Index Fund	10,29,050	0.26
HDFC Mutual Fund - HDFC Defence Fund	8,95,064	0.22
Government Pension Fund Global	8,87,412	0.22
Damani Estates and Finance Pvt. Ltd.	7,59,030	0.19
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	5,53,278	0.14

(i) Dematerialization of shares and liquidity

The Equity Shares of the Company are admitted in the Depository systems of the NSDL & CDSL. The Company has entered into agreements with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for dematerialization of the Equity Shares of the Company.

Trading in Equity Shares of the Company is permitted only in dematerialized form as per the notification issued by the Securities and Exchange Board of India. Total number of equity shares dematerialized as on 31 March 2026 is as follows:

Particulars	No. of shares	% to total
Shares dematerialized with NSDL	37,53,04,437	93.04
Shares dematerialized with CDSL	2,80,75,563	6.96
Physical Shares	-	-
Total no. of shares	**40,33,80,000**	**100.00**

(j) Demat suspense account / Unclaimed suspense account

The Company does not have any shares in the Demat Suspense Account or Unclaimed Suspense Account.

(k) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NA

(l) Commodity price risk or foreign exchange risk and hedging activities

Relevant information in this regard is available under Note 49 of Notes to the Financial Statements.

(m) Plant locations

In Mazgaon, Mumbai, the North Yard and South Yard are Shipbuilding Yards, while East Yard is a Submarine Construction Yard. The Alcock yard is located above the North Yard of Mazgaon. The land adjacent to the South Yard is available for construction and accommodation of Ships and Submarines viz. Modular workshop for Shipbuilding, Cradle workshop for Submarine building, Goliath crane, Wet basin.

(n) Address for correspondence

Registered/ Corporate Office:
Mazagon Dock Shipbuilders Limited
Dockyard Road, Mumbai 400 010
Maharashtra, India
Tel: +91 22 2376 2000/3000/4000
Email: investor@mazdock.com
Website: https://mazagondock.in

(o) List of all credit ratings

During the year, M/s India Ratings & Research Pvt. Ltd. has continued the Company's credit rating of IND AAA/ Stable for fund-based Bank facilities and IND AAA/Stable/IND A1+ for non-fund-based limits.

14. OTHER DISCLOSURES:

a) Disclosures on materially significant related party transactions

There are no materially significant related party transactions during the year under review that have potential conflict with the interest of the Company at large.

b) Details of non-compliance on matters related to capital markets, during the last three years

During the period under review, the Company received notices from NSE and BSE imposing fines on the ground that the Company was unable to maintain the requisite number of Board members as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015.

The Company is a government Company and the power to appoint directors on the Board is vested with the President of India. Accordingly, maintaining requisite number of Board members was beyond the control of the Company.

Further, for the quarter ended 31 December 2024 and 31 March 2025, the Company received notices from the Stock Exchanges regarding the composition of the Board Committees under Regulations 18(1), 19 and 21(2) of the SEBI (LODR) Regulations, 2015. However, the composition of the Board Committees was in line with the provisions of SEBI (LODR) Regulations, 2015 and there is no incidence of non-compliance during the period. The Company has already represented to the Stock exchanges in this regard with a request to withdraw the notice.

With regard to Regulation 17 of SEBI (LODR) Regulations, 2015, the fines have been waived till 31 October 2024 and reversed for the period beginning from 01 November 2024 till 31 December 2024. For appointment of requisite number of Board members, the Company has already taken up the matter with the Administrative Ministry i.e., Ministry of Defence (MOD), Government of India. For the remaining period, the company shall apply for waiver after achieving the compliance with Regulation 17(1).

c) Vigil mechanism/ whistle blower policy

The Company has established a vigil mechanism and adopted a Whistle Blower Policy for Directors and employees to report concerns, if any, about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. It is affirmed that no personnel have been denied access to the Audit Committee or its Chairman.

The Whistle Blower Policy is available on the website of the Company https://mazagondock.in/images/pdf/whistle-blower-policy.pdf

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

During the Financial Year 2025-26, the company has complied with all mandatory requirements of the SEBI (LODR) Regulations, 2015 except Regulation 17, which deals with the composition of the Board of Directors.

The Company being a Government Company, the power to appoint all the Directors vests with the President of India acting through the Ministry of Defence.

The Company has not adopted any discretionary requirements provided under Part E of Schedule II of SEBI (LODR) Regulations, 2015.

e) Policy for determining 'material' subsidiaries

The policy for determining material subsidiaries, adopted by the Board, is available on the Company's website at https://mazagondock.in/images/pdf/Material-Subsidiary-Policy_30072026.pdf

f) Policy on dealing with related party transactions

The policy on Related Party Transactions (RPT) as approved by the Board as per the provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013 is available on the website of the Company at https://mazagondock.in/images/pdf/1related-party-transaction-policy(revised).pdf

g) Insider Trading Policy

The Board of Directors of the Company have approved the Insider Trading Policy pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 for dealing in the Securities of the Company by insiders so that the insiders do not derive any benefit or assist others in deriving any benefit while in possession of any unpublished price sensitive information relating to the Company or its securities.

h) Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the SEBI (LODR) Regulations, 2015 and the Guidelines of DIPAM, the Company has formulated a Dividend Distribution Policy and the same is uploaded on the Company's website at https://mazagondock.in/images/pdf/Dividend-Distribution-Policy-19052022.pdf

i) Details of Unpaid Dividend

The Statement of information of unpaid/unclaimed dividends (interim and final) for the relevant previous years are available on the website of the Company at https://mazagondock.in/English/pages/Dividend

Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on 31 March 2026.

j) Accounting Standards

The Company is in compliance with all the applicable Indian Accounting Standards (Ind AS). Ministry of Corporate Affairs vide Notification No.1/2/2014-CL-V dated 23 February 2018 has exempted those companies engaged in defence production to the extent of application of Ind AS 108 on 'Operating Segment'. Disclosure in this regard has been made at Note 35 of Notes to the Financial Statements.

k) Enterprise Risk Management

The company has put in place a comprehensive Risk Management Plan, approved by the Board of Directors as required under the SEBI (LODR) Regulations, 2015 and the DPE Guidelines on Corporate Governance. The Company's risk management plan aims to establish a structured and defined process for the identification, assessment, response, monitoring and reporting of risks.

A standing committee for Enterprise Risk Management is constituted to ensure integration and alignment of the Risk Management system with Corporate and Operational objectives of the company. The Risk Management plan formulated by the RMC encompassed Risk Management Framework, Policy, Strategy, Structure, Risk Assessment (Risk Identification, Analysis, Measurement and Evaluation), Risk treatment, Monitoring and Review, Risk categories, Risk reporting, Compliance, Training, Implementation plan etc. The plan indicated the timelines for the implementation and has allocated key roles and responsibilities for Risk Management spanning to all levels of the enterprise.

In compliance, the departments are maintaining Risk Register and are monitoring the occurrences of the risk identified in the Risk Register. As per ERM policy, Standing Committee reports to Risk Management Committee bi-annually about the Risk Management status.

l) Disclosure of commodity price risks and commodity hedging activities – Not Applicable

m) Details of utilization of funds raised through preferential allotment or qualified institutions placement: Not Applicable

n) Certificate for non-debarment or non-disqualification of Directors

A certificate from the Practicing Company Secretary has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority and the same is reproduced at the end of this report and marked as Annexure 1 to this Report.

o) Disclosure with respect to non-acceptance of any recommendation of any Committee

During the Financial Year 2025-26, the Board of Directors accepted all the recommendations of its committees which were mandatorily required.

p) Details of fees paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

Details of the total fees for all services paid by the Company, on a consolidated basis to Statutory Auditors during the year are given below:

Particulars	Amount (in Rs)
Audit Fees	37,00,000
Tax audit Fees	2,00,000
Other Services	45,000
Reimbursement of expenses	-

q) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Following enactment of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment.

Particulars of Complaints	Number of complaints
Filed during the financial year 2025-26	1
Disposed of during the financial year 2025-26	1
Pending during the financial year 2025-26	Nil

r) Disclosure of Loans and advances in the nature of loans to firms/ companies in which directors are interested

There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

s) Details of material subsidiaries of the listed entity

The company has no material subsidiaries as on 31 March 2026.

t) Details of compliance with the Presidential Directives

The company has complied with all the Presidential Directives issued by the Central Government during the year and in the last three years.

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

There were no items of expenditure debited in books of Accounts, which were not for the purpose of the business.

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

The expenses incurred which were personal in nature and incurred for the Board of Directors and Top Management were NIL.

w) Details of Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase.

Particulars	FY 2025-26	FY 2024-25
Administrative and Office Expenses as a % of Total Expenses	0.76%	0.74%
Finance Cost as a % of Total Expenses	0.55%	0.25%

Increase in Administrative and Office Expenses is largely attributable to increase in Travelling Expenses.

Increase in Finance cost is attributable to higher amount of advances received from customers.

15. The Company has complied with all the requirements of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the SEBI (LODR) Regulations, 2015.

16. The Company has not adopted any discretionary requirements provided under Part E of Schedule II of SEBI (LODR) Regulations, 2015.

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 and all mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs except composition of Board of Directors. As required under the SEBI (LODR) Regulations, 2015, the Practising Company Secretary's Certificate on compliance with conditions of Corporate Governance by the Company is attached at Appendix 'D' of the Board's Report.

ANNEXURE 1 TO APPENDIX C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Mazagon Dock Shipbuilders Limited
Dockyard Road
Mumbai, Maharashtra
India, 400010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mazagon Dock Shipbuilders Limited (CIN: L35100MH1934GOI002079)** having its registered office at Dockyard Road, Mumbai, Maharashtra, India, 400010 (hereinafter referred to as 'the Company), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Para C Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and the representations made by the management, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on **31st March, 2026** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority:

Sl. No.	Name of the Director	DIN	Date of appointment in the Company
1	BIJU GEORGE	09343562	27/10/2021
2	VASUDEV RANGANATH PURANIK	09623387	09/06/2022
3	KEDARNATH GUPTA	06460508	21/05/2025
4	VENI THAPAR	01811724	21/04/2025
5	JAGMOHAN	08630668	21/04/2025
6	VIVEK ATUL BHUSKUTE	09417992	21/04/2025
7	SHAILESH BHALACHANDRA JAMGAONKAR	11017821	25/03/2025
8	RUCHIR AGRAWAL	10166533	07/03/2025
9	RAJEEV PRAKASH	08590061	10/12/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates
Company Secretaries

Sd/-
CS Lekha Ashok
Partner
CP. No.: 9011, FCS: 8152
Firm Unique Code: P2008KE17906
Peer Review Certificate No. 6215/2024
UDIN: F008152H000750476

Mumbai
06/07/2026

Appendix 'D' to the Board's Report

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
Mazagon Dock Shipbuilders Limited

We have examined the compliance of conditions of Corporate Governance by **Mazagon Dock Shipbuilders Limited (CIN: L35100MH1934GOI002079)** having its Registered Office at Dockyard Road, Mumbai, Maharashtra, India, 400010 (hereinafter referred to as 'the Company'), for the year ended **31st March, 2026** as stipulated in Regulation 17 to 27 and clause (b) to (i) and (t) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. 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 the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises for the year ended on March 31, 2026 except the following:

1. As per regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where a listed entity does not have a regular Non-Executive Chairperson, at least half of the board of directors shall comprise of independent directors. Further, as per regulation 17(1)(a), board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors and the Board of directors of the top 1000 listed entities shall have at least one independent woman director.

   During the financial year from 01.04.2025 to 31.03.2026 at least half of the board of directors of the Company did not comprise of independent directors. During the period from 01/04/2025 to 20/04/2025 and from 23/02/2026 to 31/03/2026, half the Board of Directors did not comprise of non-executive directors. During the period from 01/04/2025 to 20/04/2025 the Company did not have at least one independent woman director.

2. As per regulation 17(1E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. Provided further that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub regulation (2) or (3) of regulation 21, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated.

   Vacancies in the office of independent directors are not filled within 3 months of such vacancy. Further vacancy due to expiration of the term of office of an Independent Director is not filled by the listed entity not later than the date such office is vacated.

Company being a Government Company, the decision to appoint Directors on the Board of the Company including Independent Directors vests with the President of India acting through the Ministry of Defence (MoD). Accordingly, the delay in filling the vacancy was beyond the control of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates
Company Secretaries

Sd/-
CS Lekha Ashok
Partner
CP. No.: 9011, FCS: 8152
Firm Unique Code: P2008KE17906
Peer Review Certificate No. 6215/2024
UDIN: F008152H000750498

Mumbai
06/07/2026

Appendix 'E' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company:

Mazagon Dock Shipbuilders Limited ("MDL" or "the Company") is committed to creating sustainable social value through its Corporate Social Responsibility ("CSR") initiatives. The Company's CSR programs are aimed at contributing to inclusive and equitable development by supporting interventions in areas such as education, healthcare, nutrition, skill development, community welfare, environmental sustainability, research and heritage preservation. Through these initiatives, MDL seeks to positively impact the lives of communities, particularly those in underserved regions, while contributing to the broader objectives of nation-building and sustainable development.

2. Composition of CSR Committee (as on 31 March 2026):

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Vivek Atul Bhuskute*	Independent Director/ Chairman	4	3
2.	Shri Ruchir Agrawal	Whole-time Director/ Member	4	4
3.	Cdr. Vasudev Puranik, IN (Retd.)	Whole-time Director/ Member	4	4

* Dr. Vivek Atul Bhuskute was appointed as Chairman of the committee w.e.f. 29 May 2025.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

Composition of CSR Committee: https://mazagondock.in/images/pdf/CSR%20Committee%20of%20MDL.pdf

CSR Policy:

https://mazagondock.in/images/pdf/CSR_Policy_of_MDL_07082023.pdf

CSR projects:

https://mazagondock.in/images/pdf/DETAILS%20OF%20CSR%20PROJECTS%20IN%20FY%202025-26.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company has carried out Impact Assessment through Independent third parties and the executive summary of the CSR projects is given in **Annexure A** of this report and the relevant report is available on the Company's website at the below address:

https://mazagondock.in/images/pdf/Final%20Report%20of%20impact%20assessment%20studies%20of%20the%20five%20CSR%20programmes%20of%20MDL.pdf

5.

Sr. No.	Particulars	Amount (₹ in lakhs)
(a)	Average net profit of the company as per sub-section (5) of section 135	2,29,639.00
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	4,592.78
(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	64.68
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	4,528.10

6.

Sr. No.	Particulars	Amount (₹ in lakhs)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	3,347.73
(b)	Amount spent in administrative overheads	222.25
(c)	Amount spent on Impact Assessment, if applicable	5.48
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	3,575.46
(e)	CSR amount spent or unspent for the Financial Year:	

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year (₹ in lakhs)</th><th colspan="5">Amount Unspent (₹ in lakhs)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135*</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135</th></tr>
<tr><th>Amount</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer</th></tr>
<tr><td rowspan="2">3,575.46</td><td>937.97</td><td>23 April 2026</td><td colspan="3" rowspan="2">Not Applicable</td></tr>
<tr><td>167.42</td><td>28 April 2026</td></tr>
</table>

** Against the actual CSR obligation of Rs. 4,528.10 lakhs for the FY 2025-26, the total amount spent, including the amount transferred to the Unspent CSR account for ongoing CSR Projects, is ₹ 4,680.85 lakhs. The entire unspent portion pertaining to the ongoing CSR Projects, has been transferred to the Unspent CSR Account.*

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

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	4,528.10
(ii)	Total amount spent for the Financial Year	3,575.46
(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:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (₹ in lakhs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹ in lakhs)	Amount Spent in the Financial Year (₹ in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of Transfer		
1	FY 2022-23	514	Nil	Nil	Nil	NA	Nil	NA
2	FY 2023-24	Nil	Nil	Nil	Nil	NA	Nil	NA
3	FY 2024-25	Nil	Nil	Nil	Nil	NA	Nil	NA

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

No

If yes, enter the number of Capital assets created/ acquired:

Not Applicable

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
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:

The unspent CSR amount pertains to ongoing CSR projects approved during Financial Year 2025-26, primarily involving procurement of specialised medical equipment and infrastructure development. During implementation, certain project milestones required additional time on account of extended procurement cycles for specialised equipment, logistics and supply-chain disruptions arising from global geopolitical developments, site readiness and statutory approvals from implementing agencies, and other project execution-related requirements. Accordingly, these projects have been classified as ongoing projects and are being implemented within the timelines prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Sd/-
Cdr. Vasudev Puranik, IN (Retd.)
Director (Corporate Planning & Personnel)

Sd/-
Shri Kedarnath Gupta
Independent Director & Chairman CSR Committee

Annexure A to Appendix 'E'

S. No.	Theme	Name of the Project	Impact Study Agency	Key findings
1	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	TB Mukt Nandurbar (Health), Maharashtra Implementing Agency: District Administration, Nandurbar.	M/s Development Oriented Operations Research & Surveys (DOORS), Noida	This project deployed a Mobile TB Diagnostic Laboratory and provided nutritional support to TB patients in the Nandurbar district. As part of this intervention, X-rays of TB patients were conducted and 2,400 nutrition kits were distributed during the project period, thereby significantly improving early detection of TB and effective treatment of the marginalized communities. This holistic approach not only strengthens the fight against tuberculosis at its roots but also serves as a replicable model of how integrating diagnosis with direct support can build a more equitable and effective public health system for the hardest to reach populations.
2	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	Stipend to Apprentices & Trainers' Salary at ATS (Skill Development), Mumbai Implementing Agency: Apprentice Training School (ATS) MDL Mumbai.	M/s Development Oriented Operations Research & Surveys (DOORS), Noida	MDL supported training of apprentices (over & above its statutory mandate) at its Apprentice Training School under CSR. The program demonstrated high impact on technical skills and employability, with 95% of trainees confident of better job prospects. This initiative exemplifies how industry-led skill development, supported by strategic CSR investment, can directly bridge the employability gap, create a future-ready workforce and foster sustainable socioeconomic growth.
3	Rural development projects	Integrated Village Development (Rural Development), Shahpur, Thane Implementing Agency: Karve Institute of Social Service, Pune.	M/s Development Oriented Operations Research & Surveys (DOORS), Noida	Implemented across several hamlets of the tribal villages in Shahpur Taluka of Thane district, this holistic project engaged beneficiaries, primarily from the SC/ST communities. It delivered measurable improvements in education, health, and livelihoods, with 86% beneficiary satisfaction. The project presents a replicable model for integrated rural development. This project successfully establishes a replicable blueprint for integrated and sustainable rural progress.

S. No.	Theme	Name of the Project	Impact Study Agency	Key findings
4	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	Medical Equipment Support to BVPSS Hospital (Health Infrastructure), Kota, Rajasthan Implementing Agency: Bharat Vikas Parishad Hospital (BVPSS).	M/s Development Oriented Operations Research & Surveys (DOORS), Noida	An investment in five critical medical machines transformed healthcare delivery at a charitable hospital in Kota district, directly supporting a number of patients in 2024. The intervention enhanced life-saving and diagnostic capacity for low-income groups, with 82% beneficiary satisfaction. This strategic investment has tangibly strengthened the healthcare safety net, demonstrating how targeted support for critical infrastructure can profoundly and sustainably expand access to quality medical care at subsidised cost for the underserved communities.
5	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	Support for Health & Nutrition Infrastructure (Integrated Development), Rajkot, Gujarat Implementing Agency: Seva Bharati, Gujarat.	M/s Development Oriented Operations Research & Surveys (DOORS), Noida	This project supported construction of a multipurpose community hub, enabling integrated service delivery—including vocational training, nutrition support, and a library—to marginalized groups. It empowered over 475 women through skill training and achieved 94% beneficiary satisfaction.

Appendix 'F' to the Board's Report

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
MAZAGON DOCK SHIPBUILDERS LIMITED
Dockyard Road,
Mumbai, Maharashtra
India, 400010

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 **Mazagon Dock Shipbuilders Limited (CIN: L35100MH1934GOI002079)** (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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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** (Audit Period) 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 31/03/2026 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder to the extent applicable;

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

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;

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

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

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; NOT APPLICABLE

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; NOT APPLICABLE

   (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025; NOT APPLICABLE

(h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; NOT APPLICABLE

(i) Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 ; NOT APPLICABLE

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;

vi. The following other laws as specifically applicable to the Company:

(a) Factories Act, 1948;

(b) Industrial Disputes Act, 1947;

(c) The Environment (Protection) Act, 1986;

(d) The Water (Prevention and Control of Pollution) Act 1974;

(e) The Air (Prevention and Control of Pollution) Act, 1981;

(f) Hazardous Waste (Management and handling) Rules, 1989;

(g) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India;

(h) Guidelines on Corporate Social Responsibility and sustainability for Central Public Sector Enterprises;

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

(i) Secretarial 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;

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, subject to reporting made herein.

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 further report that:

The Board of Directors of the Company comprises of Executive and Non-Executive Directors. However, the Company was not in compliance with the prescribed board composition requirements, as detailed below:

1. *As per regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where a listed entity does not have a regular Non-Executive Chairperson, at least half of the board of directors shall comprise of independent directors. Further, as per regulation 17(1)(a), board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors and the Board of directors of the top 1000 listed entities shall have at least one independent woman director. As per section 149 of Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every listed company shall have at least one woman director and any intermittent vacancy of a woman director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.*

   During the financial year from 01.04.2025 to 31.03.2026 at least half of the board of directors of the Company did not comprise of independent directors. During the period from 01/04/2025 to 20/04/2025 and from 23/02/2026 to 31/03/2026, half the Board of Directors did not comprise of non-executive directors. During the period from 01/04/2025 to 20/04/2025 the Company did not have at least one independent woman director and the intermittent vacancy was filled-up only after three months from the date of such vacancy;

2. *As per Regulation 17(1E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. Provided further that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub regulation (2) or (3) of regulation 21, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated.*

   Vacancies in the office of independent directors are not filled within 3 months of such vacancy. Further vacancy due to expiration of the term of office of an Independent Director is not filled by the listed entity not later than the date such office is vacated.

Company being a Government Company, the decision to appoint Directors on the Board of the Company including Independent Directors vests with the President of India acting through the Ministry of Defence (MoD). Accordingly, the delay in filling of the vacancy was beyond the control of the Company.

Subject to the aforesaid, 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 and in accordance with orders issued by the Central Government (Ministry of Defence). 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 except for meetings held at shorter notice in compliance with the applicable laws 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. Majority decisions are carried through and are captured and recorded as part of the minutes. During the period under review, no dissenting views were expressed by any Director or Committee member.

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

During the period under review, the company had the following specific events or actions which might have a bearing on the company's affairs:

1. Colombo Dockyard PLC (CDPLC) became a subsidiary of the listed entity with effect from 19th January 2026, pursuant to the acquisition of its control/shareholding/voting rights.
2. The Government of India had carried out Offer for Sale (OFS) of equity shares of the Company, divesting 3.61 % of its stake, equivalent to 14563465 equity shares, through the stock exchange mechanism, in accordance with the applicable SEBI Regulations. Consequently, the shareholding of the Government of India in MDL has been reduced to 81.22 %.

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

(i) Public / Right / Preferential Issue of Shares / Debentures / Sweat Equity etc.;

(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

Sd/-
CS Lekha Ashok
Partner
CP. No.: 9011, FCS: 8152
Firm Unique Code: P2008KE17906
Peer Review Certificate No. 6215/2024
UDIN: F008152H000750465

Mumbai
06/07/2026

Annexure A to Appendix 'F'

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Mazagon Dock Shipbuilders Limited
Dockyard Road, Mumbai, Maharashtra
India, 400010

Our Secretarial Audit 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 audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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 the 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.
8. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SVJS & Associates
Company Secretaries

Sd/-
CS Lekha Ashok
Partner
CP. No.: 9011, FCS: 8152
Firm Unique Code: P2008KE17906
Peer Review Certificate No. 6215/2024
UDIN: F008152H000750465

Mumbai
06/07/2026

Appendix 'G' to the Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FY 2025-26

A. FORWARD LOOKING STATEMENTS

This Management Discussion and Analysis Report contains certain statements that may be construed as forward-looking statements within the meaning of applicable securities laws and regulations. These statements include, but are not limited to, discussions relating to the Company's business strategy, future growth prospects, operational performance, market opportunities, infrastructure development initiatives, capital expenditure plans, technological advancement, indigenisation efforts and expectations regarding the economic and industry environment.

Forward-looking statements are based on certain assumptions, expectations and projections concerning future events and are subject to various risks, uncertainties and other factors, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied in such statements due to factors including changes in Government policies relating to defence procurement, budgetary allocations, geopolitical developments, technological changes, supply chain disruptions, regulatory developments, fluctuations in foreign exchange rates, economic conditions and other factors affecting the Company's operations.

The Company undertakes no obligation to publicly update, amend or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable laws and regulations.

B. FY 2025-26: STRATEGIC HIGHLIGHTS

During FY 2025-26, the Company continued to strengthen its position as India's premier defence shipyard through sustained execution of complex shipbuilding and submarine programmes, enhancement of indigenous manufacturing capabilities, infrastructure augmentation and expansion of its maritime ecosystem.

Key developments during the year included:

- Continued progress in execution of ongoing defence shipbuilding and submarine programmes including offshore projects and export order project.
- Strengthening of ship repair, refit and lifecycle support capabilities.
- Continued focus on indigenisation and development of domestic vendor ecosystems in support of the Government of India's Aatmanirbhar Bharat initiative.
- Progress in development of strategic infrastructure including Nhava Yard and associated waterfront facilities.
- Expansion of international presence through acquisition of a controlling stake in Colombo Dockyard PLC.
- Continued focus on digital transformation, operational excellence and capability enhancement.
- Strong financial performance supported by achievement of project milestones and prudent financial management.

The Company remains committed to delivering long-term value to stakeholders while contributing to India's maritime security and defence preparedness.

C. INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Maritime and Defence Environment

The global maritime landscape continues to witness significant transformation driven by evolving geopolitical dynamics, changing security considerations, technological advancements and increasing emphasis on maritime dominance. Nations across the world are strengthening naval capabilities to secure strategic interests, protect sea lines of communication and address emerging security challenges. As maritime security assumes increasing importance, demand for advanced naval platforms, support vessels, maintenance services and lifecycle support capabilities continue to grow.

The global shipbuilding industry remains a strategically important sector supporting defence preparedness, international trade, energy security and industrial development. In addition to traditional shipbuilding activities, increasing focus is being placed on digitalisation, automation, advanced materials, green technologies and lifecycle support solutions to improve operational efficiency and sustainability.

Indian Defence Shipbuilding Sector

India's geographical position, with the reassessed length of India's coastline i.e.11,098.81 kilometres and its strategic location along major international shipping routes, provides a strong foundation for development of a robust maritime ecosystem. Maritime trade continues to constitute a significant component of India's economic activity and is expected to grow further in line with the country's economic expansion and increasing integration with global markets.

The Indian Navy and the Indian Coast Guard play a critical role in safeguarding India's maritime interests and ensuring security across a vast maritime domain. Continuous modernisation of naval assets and strengthening of maritime capabilities are expected to drive sustained demand for warships, submarines, support vessels, specialised platforms and lifecycle support services.

The Government of India continues to accord high priority to the development of indigenous defence manufacturing capabilities. Policy initiatives such as Aatmanirbhar Bharat, make in India, make for the World, Defence Acquisition Procedure (DAP), positive indigenisation lists and increasing emphasis on domestic procurement are creating significant opportunities for Indian defence manufacturers and shipyards.

The Indian Naval Indigenisation Plan and various defence sector reforms seek to enhance domestic design, development and manufacturing capabilities while strengthening the indigenous vendor ecosystem. These initiatives are expected to reduce import dependence, promote technological self-reliance and generate long-term opportunities for the domestic shipbuilding industry.

Economic Significance of Shipbuilding

The shipbuilding industry occupies a unique position within the industrial ecosystem owing to its strong forward and backward linkages with a wide range of sectors including steel, heavy engineering, electronics, defence manufacturing, logistics and transportation. The industry generates substantial employment opportunities and contributes significantly to industrial development and technological advancement.

The Government's continuing focus on maritime infrastructure, port-led development, coastal shipping and the blue economy is expected to further strengthen growth prospects for shipbuilding, ship repair, marine engineering and allied maritime services.

Maritime Sector Opportunities

India's aspiration to emerge as a leading maritime nation presents significant opportunities across defence shipbuilding, commercial shipbuilding, ship repair, refit and maintenance services. Growing maritime trade, expansion of port infrastructure, increasing offshore activities and rising demand for specialised marine assets are expected to create long-term growth opportunities for the maritime sector.

Ship repair and lifecycle support services are increasingly emerging as attractive business segments due to the expanding fleet of defence and commercial vessels requiring maintenance, modernisation and operational support throughout their lifecycle.

Outlook for Indigenous Defence Manufacturing

India's defence manufacturing sector is undergoing structural transformation supported by policy reforms, increasing capital expenditure on defence modernisation and growing participation of domestic industry. The emphasis on indigenisation and development of a self-reliant defence industrial base is expected to strengthen domestic manufacturing capabilities and enhance opportunities for Indian defence enterprises.

Against this backdrop, Mazagon Dock Shipbuilders Limited remains well-positioned to leverage its extensive experience, proven capabilities, modern infrastructure and skilled workforce to contribute to the nation's maritime and defence objectives while pursuing sustainable growth opportunities.

D. COMPANY OVERVIEW

Mazagon Dock Shipbuilders Limited ("MDL" or "the Company"), a Navratna Defence Public Sector Undertaking under the administrative control of the Ministry of Defence, Government of India, is India's leading shipyard engaged in the construction, repair, refit, modernisation and lifecycle support of warships, submarines and allied engineering products.

Over the decades, the Company has developed significant expertise in warship construction, submarine building, systems integration, engineering, project management and lifecycle support services. MDL is the only Indian shipyard to have built destroyers and conventional submarines for the Indian Navy and has played a pivotal role in supporting India's maritime defence capabilities and indigenisation objectives.

Since its nationalisation in 1960, the Company has delivered a diverse range of defence and commercial platforms, including destroyers, frigates, corvettes, missile boats, submarines, offshore patrol vessels and various commercial vessels and offshore structures. The Company's accomplishments reflect its strong engineering capabilities, commitment to quality and ability to execute complex projects of strategic national importance.

The Company operates through its Operations and Technical Division and is supported by modern infrastructure facilities at Mumbai, Nhava and other operational locations. Continuous investments in infrastructure augmentation, technology adoption, process improvements and human capital development have strengthened the Company's capability to undertake complex projects while maintaining high standards of quality and reliability.

During the year, the Company continued to strengthen its strategic presence within the maritime sector through investments, collaborations and business initiatives. The acquisition of a controlling stake in Colombo Dockyard PLC represents a significant milestone in expanding the Company's international footprint and enhancing opportunities in shipbuilding, ship repair, marine engineering and allied maritime services.

The Company continues to focus on operational excellence, indigenisation, infrastructure modernisation, sustainability, digital transformation and capability enhancement while contributing towards strengthening India's maritime and defence preparedness.

E. SWOT ANALYSIS

Strengths:

World-Class Infrastructure and Manufacturing Capabilities

The Company possesses state-of-the-art shipbuilding and submarine construction infrastructure supported by modern manufacturing facilities, dry docks, wet basins, workshops, heavy lifting equipment and specialised integration facilities. Continuous investments in infrastructure modernisation and capacity enhancement have strengthened the Company's ability to execute complex defence projects efficiently.

Strategic Importance and Proven Track Record

MDL enjoys a unique position within India's defence manufacturing ecosystem as the only shipyard to have constructed both destroyers and conventional submarines for the Indian Navy. The Company's proven execution capabilities, strong project management expertise and successful delivery record provide a significant competitive advantage.

Strong Indigenisation Focus

The Company's dedicated focus on indigenisation has contributed to increasing domestic content in defence platforms, strengthening the indigenous vendor ecosystem and reducing dependence on imports. These efforts are aligned with national objectives of achieving self-reliance in defence manufacturing.

Strategic Geographic Location

Located in Mumbai, the commercial capital of India and headquarters of the Western Naval Command, the Company benefits from proximity to key stakeholders, customers, suppliers and ancillary industries, resulting in operational efficiencies and improved coordination.

Technical Expertise and Design Capabilities

The Company possesses a strong pool of naval architects, engineers, project professionals and technical specialists supported by extensive experience in design, systems integration and construction of complex naval platforms.

Infrastructure Expansion Initiatives

Development of facilities at Nhava Yard and enhancement of waterfront infrastructure at South Yard Annex are expected to significantly strengthen future capacity, operational flexibility and business growth opportunities.

Weaknesses:

Long Project Execution Cycles

Warship and submarine construction projects involve extended execution timelines owing to their technological complexity, stringent quality requirements and evolving customer specifications.

Waterfront Constraints and Siltation

The Company's operations require periodic dredging and maintenance of waterfront facilities. Such activities involve recurring expenditure and operational planning challenges.

Dependence on Critical Suppliers

Timely availability of specialised equipment, systems and materials from domestic and international suppliers remains critical for project execution and delivery schedules.

High Skill Dependency

Construction of sophisticated defence platforms requires a highly skilled workforce possessing specialised technical competencies. Sustaining and developing such capabilities remains a continuous organisational priority.

Dependence on Overseas Suppliers for Select Critical Systems

Certain critical systems, sensors, propulsion equipment and specialised components continue to be sourced from overseas suppliers, exposing the Company to supply chain and geopolitical risks.

Opportunities:

Defence Modernisation Programmes

India's continuing focus on naval modernisation and maritime capability enhancement presents substantial long-term opportunities for warship construction, submarine programmes and lifecycle support services.

Indigenisation and Aatmanirbhar Bharat

Government initiatives promoting indigenous manufacturing and domestic procurement provide significant opportunities for expansion of local content and development of indigenous capabilities.

Ship Repair and Lifecycle Support

Growing demand for maintenance, repair, refit and lifecycle support services for defence and commercial vessels offers a promising avenue for diversification and sustainable revenue generation.

Export Opportunities

Increasing global demand for defence and maritime platforms presents opportunities for expansion into international markets through exports, strategic partnerships and collaborative programmes.

Industry 4.0 and Digital Transformation

Adoption of advanced technologies, automation, artificial intelligence, digital manufacturing and data analytics provides opportunities to improve productivity, efficiency and project execution.

Diversification into Adjacent Sectors

The Company's engineering capabilities provide opportunities to diversify into marine engineering, offshore structures, underwater systems, aerospace support activities and other specialised engineering segments.

Threats:

Increasing Competition

Growing participation of private sector entities and international players in defence manufacturing may intensify competition for future business opportunities.

Geopolitical and Supply Chain Uncertainties

Global geopolitical developments, sanctions, trade restrictions and supply chain disruptions may affect availability of critical equipment and project execution timelines.

Fixed-Price Contract Risks

Cost escalation, inflationary pressures, foreign exchange rates volatility and delays in project execution may adversely affect margins under fixed-price contracts, particularly in projects involving imported equipment, Systems and critical material.

Technological Evolution

Rapid advancements in defence technologies require continuous investments in capability enhancement, infrastructure and skill development to maintain competitiveness.

Regulatory and Policy Changes

Changes in defence procurement procedures, taxation, regulatory frameworks or budgetary priorities may influence business opportunities and operational performance.

Despite these challenges, your Company has successfully transformed itself into a centre of excellence—powered by modern infrastructure, a highly skilled workforce, and a team of dedicated engineers. This synergy of capability, commitment, and continuous improvement ensures that the shipyard remains at the forefront of India's defence shipbuilding landscape.

F. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company is primarily engaged in the construction, repair, refit, modernisation and lifecycle support of defence platforms and allied engineering products. Considering the strategic and security-sensitive nature of the Company's operations and the exemption available in respect of detailed segment reporting, performance is discussed at a broad operational level.

The Company's operations are organised around integrated shipbuilding, submarine construction, engineering and lifecycle support activities. During the year, continued progress was achieved across key operational areas through execution of ongoing contracts, enhancement of infrastructure capabilities and strengthening of indigenous manufacturing initiatives.

The broad operational performance during FY 2025-26 is summarised below:

Operational Area	FY 2025-26 Performance Highlights
Defence Shipbuilding	Continued execution of ongoing warship construction programmes and achievement of key production milestones
Submarine Construction & Lifecycle Support	Progress in submarine construction activities and continued support for lifecycle maintenance requirements
Ship Repair & Refit	Expansion of repair, refit and maintenance activities for defence and commercial vessels
Engineering & Manufacturing Activities	Continued support through engineering, fabrication, systems integration and allied manufacturing activities
Infrastructure Development	Progress in capacity augmentation, modernisation and infrastructure enhancement initiatives

The Company's diversified capabilities across shipbuilding, submarine construction, engineering and lifecycle support continue to provide resilience and position the Company to address evolving requirements of defence and maritime stakeholders.

G. OUTLOOK

The Company remains focused on strengthening its position as India's premier defence shipyard while pursuing opportunities for diversification, infrastructure expansion, operational excellence and international growth. Supported by a strong order book, robust execution capabilities and favourable policy initiatives promoting indigenous defence manufacturing, the Company remains well positioned to capitalise on emerging opportunities in the maritime and defence sectors.

Ship Repair and Lifecycle Support

The global maritime industry is witnessing increasing demand for lifecycle support services, including repair, refit, maintenance and modernisation of naval and commercial vessels. The Company continues to accord strategic importance to this segment and is undertaking initiatives to expand its repair and refit capabilities.

Given India's strategic location on major international shipping routes and the increasing size of domestic naval and commercial fleets, ship repair and lifecycle support services are expected to emerge as an important growth driver in the coming years.

Diversification Initiatives

The Company continues to explore opportunities for diversification into adjacent sectors leveraging its established engineering expertise, project management capabilities and manufacturing infrastructure. Strategic initiatives are being pursued in areas including underwater platforms, marine engineering systems, offshore structures, heavy engineering equipment and other specialised engineering applications.

The Company also continues to evaluate opportunities that complement its core competencies and contribute to long-term business sustainability.

The Company is in dialogue with State Governments (Local Maharashtra and Andhra Pradesh) on both coasts of India to explore feasibility of setting up a Greenfield Shipyard in line with Government of India's Maritime Amrit Kaal Vision 2047.

Infrastructure Modernisation

Continuous infrastructure enhancement remains an important strategic priority. Investments in modern facilities, advanced manufacturing technologies, automation and digital systems are expected to strengthen productivity, improve project execution efficiency and support future business growth.

The Company remains committed to upgrading existing facilities and equipment to ensure alignment with evolving technological requirements and international best practices.

Nhava Yard Development

The development of the Nhava Yard, admeasuring approximately 37 acres, represents one of the most significant capacity expansion initiatives undertaken by the Company. The greenfield shipyard is being developed in a phased manner to support shipbuilding, ship repair and future growth requirements. The facilities include construction of Hard Stands, Jetty, Workshops, Stores, Administrative Building, provision of LL Cranes and allied services. This will facilitate construction of ships and offshore platforms.

The short-term development plan focuses on optimising utilisation of existing infrastructure to support current business opportunities, while the long-term development plan aims to establish world-class facilities capable of supporting construction, repair and modernisation of larger and more complex vessels and submarines.

Upon completion, the facility is expected to significantly enhance the Company's operational flexibility and long-term growth potential.

Additional Waterfront Infrastructure

The Company has undertaken the development of the newly acquired land parcel of approximately 15 acres adjacent to the existing facilities (South Yard Annex) to strengthen its shipbuilding, repair and maintenance capabilities. The facility is being developed to enable simultaneous construction, outfitting and repair/refit of various types of vessels. Upon completion, the project will enhance the waterfront handling capacity from the existing 80 DWT to 200 DWT, enabling simultaneous execution of multiple projects. The additional infrastructure is expected to augment operational capacity, improve execution efficiency and support future programmes involving larger and technologically advanced platforms.

Floating Dry Dock Project

In order to strengthen shipbuilding and lifecycle support capabilities, the Company has undertaken the development of a new Floating Dry Dock of 12000T capacity to handle the dry-docking requirements of future major Projects and enhance operational capabilities.

The proposed facility is expected to improve docking flexibility, reduce operational constraints and support future growth in ship repair, maintenance and modernisation activities.

Indigenisation

Indigenisation remains a strategic priority for the Company and forms an integral part of its long-term growth strategy. Significant efforts continue to be directed towards increasing domestic sourcing, strengthening indigenous vendor capabilities and reducing dependence on imported systems and equipment.

The Company's indigenisation initiatives support the national vision of Aatmanirbhar Bharat while contributing to improved supply chain resilience, cost optimisation and technological self-reliance.

Digital Transformation and Industry 4.0

The Company continues to pursue digital transformation initiatives aimed at improving productivity, operational efficiency and decision-making processes. Adoption of Industry 4.0 technologies, digital manufacturing systems, automation, data analytics and artificial intelligence-based applications is expected to enhance project management, quality control and resource utilisation.

These initiatives are expected to support the Company's objective of achieving higher levels of operational excellence and competitiveness.

Sustainability and ESG Focus

The Company continues to integrate sustainability considerations into its operational and business practices. Efforts are directed towards energy conservation, resource optimisation, waste management, environmental stewardship and adoption of sustainable technologies wherever feasible.

The Company also remains committed to strengthening governance practices, promoting employee well-being, supporting community development initiatives and enhancing transparency through robust disclosure and reporting frameworks.

These initiatives support the Company's long-term objective of creating sustainable value while maintaining alignment with evolving stakeholder expectations and environmental, social and governance (ESG) principles.

Export Promotion

The Company remains focused on expanding its international presence through exports, strategic collaborations and participation in global maritime opportunities.

With extensive experience in construction of sophisticated naval platforms and proven engineering capabilities, the Company is well positioned to explore opportunities in select international markets while strengthening India's position in the global defence and maritime ecosystem.

H. BUSINESS RISKS AND CONCERNS

The Company operates in a complex and dynamic environment characterised by long project cycles, technological advancements, evolving customer requirements and global supply chain interdependencies. Effective risk management remains integral to achieving strategic objectives and sustaining long-term growth.

The Company has established a structured risk management framework for identification, assessment, monitoring and mitigation of business risks. Risk management processes are periodically reviewed by the Management and the Risk Management Committee to ensure timely response to emerging risks and changing business conditions.

The key business risks and mitigation measures are summarised below:

Risk Category	Potential Impact	Mitigation Framework
Project Execution Risk	Delays in achievement of project milestones, cost overruns and impact on contractual commitments	Robust project planning, periodic milestone reviews, management oversight and project monitoring mechanisms
Supply Chain Risk	Delays in procurement of critical materials, equipment and systems impacting execution schedules	Vendor development initiatives, supplier diversification, inventory planning and indigenisation programmes
Dependence on Overseas Suppliers	Exposure to geopolitical developments, sanctions and international supply chain disruptions	Enhanced localisation efforts, indigenous vendor development and strategic sourcing initiatives
Infrastructure and Operational Risk	Operational disruptions arising from facility constraints, waterfront maintenance requirements and infrastructure-related challenges	Continuous infrastructure upgrades, preventive maintenance programmes and capacity augmentation projects
Regulatory and Compliance Risk	Financial, legal and reputational exposure arising from changes in laws, regulations and contractual obligations	Comprehensive compliance framework, legal oversight, internal audits and continuous regulatory monitoring
Competition Risk	Increased competitive intensity leading to pricing pressure and reduced market opportunities	Operational excellence initiatives, productivity enhancement, technology adoption and capability development
Order Book and Revenue Risk	Delays, deferment or modification of customer programmes impacting revenue visibility	Diversification of business opportunities, expansion into lifecycle support and exploration of export market
Cyber Security and Information Security Risk	Potential disruption to operations, compromise of sensitive information and reputational impact	Cyber security governance framework, information security controls, continuous monitoring and periodic assessments
Human Capital Risk	Availability and retention of specialised technical talent required for complex projects	Talent development programmes, succession planning, capability enhancement initiatives and employee engagement measures
Foreign Exchange Risk	Impact on procurement costs due to fluctuations in exchange rates	Monitoring of foreign currency exposure and implementation of appropriate financial risk management measures

The Company continuously reviews its risk profile and mitigation strategies to ensure resilience, operational continuity and sustainable value creation for stakeholders.

I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a comprehensive system of internal controls and internal financial controls commensurate with the size, scale and complexity of its operations. The control framework is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of assets, reliability of financial reporting, compliance with applicable laws and regulations, and achievement of organisational objectives.

The internal control framework encompasses policies, procedures, organisational structures, approval mechanisms, delegation of powers and monitoring processes covering all significant operational, financial and compliance activities. These controls are periodically reviewed and strengthened in line with evolving business requirements, regulatory developments and emerging risks.

Internal Financial Controls

The Company maintains an adequate system of Internal Financial Controls over Financial Reporting designed to ensure orderly and efficient conduct of business, accuracy and completeness of accounting records, prevention and detection of fraud and errors, safeguarding of assets and timely preparation of reliable financial information.

The internal financial control framework covers key business processes including procurement, contract management, inventory management, project accounting, treasury operations, payroll processing, capital expenditure, fixed asset management, statutory compliance and financial reporting.

Internal Audit Function

The Internal Audit function operates independently and adopts a risk-based approach for evaluating the adequacy and effectiveness of internal controls, governance processes and risk management practices. Internal audits are conducted across operational, financial, technical and compliance areas in accordance with approved audit plans.

Observations arising from internal audits are reviewed by the Management and corrective actions are monitored through a structured follow-up mechanism to ensure timely implementation of recommendations.

Audit Committee Oversight

The Audit Committee of the Board provides oversight of the Company's financial reporting processes, internal control systems and audit functions. The Committee periodically reviews internal audit reports, statutory audit observations, internal financial controls, risk management processes and compliance status.

The Committee also monitors implementation of corrective actions and provides guidance to strengthen governance and control processes across the organisation.

Enterprise Risk Management

The Company has implemented an Enterprise Risk Management framework for systematic identification, assessment, monitoring and mitigation of risks that may impact achievement of strategic and operational objectives.

The Risk Management Committee periodically reviews the Company's risk profile, effectiveness of mitigation measures and emerging risks arising from changes in the business environment, technological developments, regulatory requirements and geopolitical conditions.

Cyber Security and Information Security Risk

As the Company continues to strengthen digitalisation and technology adoption across business operations, cyber security and protection of critical information assets remain important priorities.

Potential cyber threats may result in operational disruption, compromise of sensitive information or adverse business impact.

To address these risks, the Company has implemented appropriate cyber security governance mechanisms, information security controls, access management protocols, network monitoring systems and periodic security assessments. Continuous efforts are undertaken to strengthen cyber resilience and safeguard critical information infrastructure.

ERP and Digital Control Environment

The Company's operations are supported by integrated Enterprise Resource Planning (ERP) systems and digital platforms that facilitate standardisation of processes, automated controls, transaction monitoring and real-time reporting.

The use of technology-enabled controls enhances transparency, accountability and operational efficiency while reducing the risk of manual errors and process deviations.

Delegation of Powers and Governance Framework

The Company has established clearly defined delegation of financial, administrative and operational powers supported by documented policies, procedures and approval hierarchies. These frameworks ensure accountability, segregation of duties and appropriate oversight over decision-making processes.

Periodic reviews are undertaken to ensure that delegated authorities remain aligned with organisational requirements and governance expectations.

Statutory, Cost and Secretarial Audits

The financial statements of the Company are subjected to Statutory Audit in accordance with the provisions of the Companies Act, 2013 and applicable auditing standards.

In addition, Cost Audit and Secretarial Audit are conducted by independent professionals as required under applicable laws. Findings and recommendations arising from such audits are reviewed and appropriate corrective actions are implemented wherever required.

Comptroller and Auditor General of India Review

Being a Government Company, the accounts of the Company are subject to review by the Comptroller and Auditor General of India in accordance with the applicable provisions of the Companies Act, 2013.

The Company extends full cooperation during such reviews and takes appropriate measures to address observations and recommendations, wherever applicable.

Vigilance and Whistle Blower Mechanism

The Company has established a robust vigilance framework and Whistle Blower Mechanism to promote ethical conduct, transparency, accountability and integrity in all business activities.

Employees and stakeholders are encouraged to report genuine concerns regarding unethical conduct, fraud, corruption, financial impropriety or violation of applicable policies through designated channels. Adequate safeguards are provided against victimisation of individuals reporting concerns in good faith.

Internal Control Assessment

Based on the reviews undertaken during the year and considering the audit observations, management reviews and monitoring mechanisms in place, the Management believes that the Company's internal control systems and internal financial controls are adequate and operating effectively.

J. FINANCIAL PERFORMANCE VIS-À-VIS OPERATIONAL PERFORMANCE

The financial performance of the Company during FY 2025-26 reflects continued progress in execution of ongoing contracts, achievement of key production milestones, strengthening of indigenous sourcing initiatives and prudent financial management practices.

The Company maintained its focus on operational efficiency, project execution, cost optimisation and effective utilisation of resources while continuing investments in infrastructure enhancement and capability development.

Financial Performance:

Particulars	FY 2025-26 (₹ in Lakh)	FY 2024-25 (₹ in Lakh)
Total Income	13,98,239	12,59,099
Revenue from Operations	12,83,964	11,43,188
EBITDA	3,40,230	3,24,846
Profit Before Tax	3,25,048	3,10,920
Profit After Tax	2,43,577	2,32,488
Net Worth	8,84,316	7,18,084
Earnings Per Share (₹)(FV ₹ 5)	60.38	57.63
Book Value Per Share (₹)(FV ₹ 5)	219.22	178.02
Dividend Per Share (₹)(FV ₹ 5)	18.12	17.31

Operational Performance Vis-à-vis Financial Performance

The Company's financial performance was supported by continued execution of shipbuilding and submarine programmes, achievement of project milestones, strengthening of project management practices and prudent financial discipline.

Revenue from Operations increased from ₹11,43,188 lakhs in FY 2024-25 to ₹12,83,964 lakh in FY 2025-26, reflecting sustained progress in project execution and recognition of contractual milestones.

Profit Before Tax increased from ₹3,10,920 lakhs in FY 2024-25 to ₹3,25,048 lakh in FY 2025-26. Profitability during the year was supported by operational efficiencies, effective cost management and continued focus on value creation.

Net Worth increased by 23.15% from ₹7,18,084 lakhs as at 31 March 2025 to ₹8,84,316 lakh as at 31 March 2026, reflecting the Company's strong financial position and consistent earnings performance.

The Company's strong balance sheet, healthy liquidity position and robust order book continue to provide a solid foundation for future growth and investment in strategic initiatives.

K. KEY FINANCIAL RATIOS AND OTHER PERFORMANCE INDICATORS

The key financial ratios of the Company are presented below:

Efficiency Ratios (%)	FY 2026	FY 2025	Change (%)	Detailed explanation for change of 25 % or more
Debtors Turnover	7.00	7.75	-9.67	-
Inventory Turnover	1.59	0.88	79.83	Change due to increase in consumption of inventory towards Shipbuilding projects
Interest Coverage Ratio	-	-	-	-
Current Ratio	1.42	1.25	14.02	-
Debt Equity Ratio	-	-	-	-
Operating Profit Margin (%)	16.42	17.06	-3.77	-
Net Profit Margin (%)	18.97	20.34	-6.72	-

Earnings Per Share

Particulars	FY 2026	FY 2025
Basic EPS	60.38	57.63
Diluted EPS	60.38	57.63

Export and Import Performance

Particulars	FY 2025-26	FY 2024-25
Export as % of Revenue from Operations	0.21%	0.53%
Import as % of Revenue from Operations	15.31%	16.49%

Return on net worth

The Return on Net Worth of the Company is presented below:

Particulars	FY 2026	FY 2025	Change (%)	Explanation for change
Return on Net worth	30.40	36.46	-16.63	The reduction in ROE is attributable to expansion of equity base rather than reduction in profitability. The growth in shareholders' funds primarily due to retention of earnings outpaced the growth in profits.

The Return on Net Worth reflects the Company's ability to generate returns on shareholders' funds through efficient utilisation of capital and sustained profitability. The ratio continues to be monitored closely by the Management as an important indicator of financial performance and value creation.

L. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company firmly believes that its employees constitute one of its most valuable assets and play a critical role in achieving its strategic and operational objectives. Human Resource Management continues to focus on talent acquisition, capability enhancement, leadership development, employee engagement, diversity and inclusion, succession planning and fostering a high-performance work culture aligned with the Company's long-term growth strategy.

As a technology-intensive and knowledge-driven organisation operating in the defence shipbuilding sector, the Company recognises the importance of developing and retaining specialised skills required for execution of complex projects involving advanced engineering, manufacturing, systems integration and lifecycle support activities. Continuous investments are therefore made in training, skill development and competency enhancement initiatives to ensure that employees remain equipped to meet evolving business and technological requirements.

Human Resource Profile

The Company's manpower profile as on 31 March 2026 is summarised below:

Particulars	FY 2025-26
Total Employees (including Functional Directors)	5,770
Fixed Term Employees	2,988
Women Employees	242

During the year, the Company continued its recruitment initiatives to strengthen organisational capabilities across various functions. Recruitment activities were undertaken in line with business requirements and Government directives, with emphasis on attracting talent possessing specialised technical and managerial competencies required for future growth. During the year under review, 240 Permanent & 114 Fixed Term employees were onboarded.

Learning, Development and Capability Building

The Company continues to accord high priority to learning and development initiatives aimed at enhancing technical expertise, managerial capabilities and leadership effectiveness. Employees are provided opportunities to participate in technical, functional, behavioural and leadership development programmes through internal and external training interventions.

Special emphasis is placed on developing competencies in emerging technologies, project management, digital transformation, quality systems, safety management and specialised shipbuilding and submarine construction disciplines. These initiatives contribute towards strengthening organisational capability and improving overall operational effectiveness.

Employee Health, Safety and Well-being

The Company remains committed to ensuring the health, safety and well-being of its employees. Various employee wellness initiatives, preventive healthcare programmes, awareness sessions on various topics like Cancer, Stroke, Obesity, Fitness, Lifestyle/Cardiac Diseases etc., and medical support facilities are provided to promote a healthy and productive work environment.

Periodic health check-ups, health awareness programmes and employee wellness initiatives are undertaken to support physical and mental well-being. Occupational health and workplace safety continue to remain integral components of the Company's Human Resource and operational management framework.

During the year under review, 5,611 employees underwent annual medical checks.

Industrial Relations

Industrial relations remained cordial and harmonious throughout the year, reflecting the Company's continued commitment to constructive employee engagement, transparent communication and collaborative problem-solving.

The Company maintains regular interaction with employee representatives and recognised unions to address workplace concerns and foster mutual trust and cooperation. The positive industrial relations climate contributed significantly to uninterrupted operations and successful execution of business objectives during the year.

Further details relating to industrial relations are provided in the Board's Report forming part of this Annual Report.

Diversity, Equity and Inclusion

The Company remains committed to fostering a diverse, equitable and inclusive workplace that provides equal opportunities for all employees. Efforts continue to be directed towards enhancing workforce diversity, encouraging greater participation of women professionals and creating an environment that promotes respect, dignity and equal opportunity.

Women employees continue to contribute across various technical, managerial and leadership roles within the organisation. Around 5.93 % Executives in Middle Management/higher Management level are represented by Women. The Company actively supports initiatives aimed at professional development, leadership enhancement and career progression of women employees.

Regular awareness programmes and sensitisation initiatives are conducted to promote a safe, inclusive and respectful workplace. The Company has established appropriate mechanisms for prevention, prohibition and redressal of sexual harassment at the workplace in accordance with applicable legal requirements.

The Company also provides support facilities and employee welfare measures aimed at promoting work-life balance and employee well-being.

Women in Leadership and Organisational Participation

Women employees are represented across various management levels, employee forums and organisational committees. The Company continues to encourage greater participation of women in leadership roles and decision-making processes.

Women employees actively contribute to various committees and forums relating to employee welfare, grievance redressal, diversity initiatives and organisational development. Such participation strengthens inclusiveness and promotes diverse perspectives in organisational decision-making.

Skill Development and Apprenticeship Training

The Company continues to actively support the Government of India's Skill India Mission through extensive apprenticeship and skill development initiatives.

Trade Apprentices

During FY 2025-26, 523 Trade Apprentices were inducted and provided structured training comprising classroom instruction, soft skills development and on-the-job training in various technical disciplines relevant to shipbuilding and engineering operations.

Graduate and Diploma Apprentices

The Company inducted 200 Graduate and Diploma Apprentices under the Apprentices Act for structured one-year training programmes designed to enhance employability and develop industry-relevant competencies.

Apprentices were provided practical exposure across multiple functions including engineering, finance, commercial, information technology, human resources and administration, thereby enabling comprehensive professional development.

Marine Engineering Apprenticeship

The Company continued to support development of marine engineering talent through training programmes for cadets and trainees from various maritime and marine engineering institutions.

Participation in Government Skill Development Initiatives

The Company continues to participate in various Government-sponsored skill development and internship initiatives aimed at enhancing employability and supporting national skill development objectives.

Training infrastructure established by the Company supports skill development activities in specialised trades and contributes towards creation of a skilled workforce for the maritime, engineering and manufacturing sectors.

Employment Generation and Industry Support

The Company's apprenticeship programmes contribute significantly towards employment generation by enhancing industry readiness and employability of trainees. Placement opportunities are facilitated through collaboration with vendors, industry partners and other organisations within the manufacturing and engineering ecosystem.

The Company remains committed to strengthening India's skill development ecosystem through continued investments in training, capability building and workforce development initiatives.

M. ENVIRONMENTAL PROTECTION, TECHNOLOGY ABSORPTION, RENEWABLE ENERGY DEVELOPMENTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company remains committed to conducting its operations in an environmentally responsible and sustainable manner. Environmental stewardship, resource conservation, energy efficiency and adoption of sustainable practices continue to form integral components of the Company's operational philosophy.

The Company undertakes various initiatives relating to environmental protection, pollution prevention, waste management, energy conservation and optimisation of natural resources. Continuous efforts are also made towards adoption of advanced technologies, process improvements and sustainable operational practices aimed at enhancing efficiency and reducing environmental impact.

Information as per the DPE Guidelines on Corporate Governance relating to Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation is provided in Annexure 1 to this report and should be read in conjunction with this Report.

N. CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to creating sustainable social value through its Corporate Social Responsibility ("CSR") initiatives undertaken in accordance with the provisions of the Companies Act, 2013 and the CSR Policy of the Company.

Details relating to CSR governance, projects and programmes undertaken during FY 2025-26, expenditure incurred and impact created are provided in the Board's Report and the Annual Report on Corporate Social Responsibility forming part of this Annual Report.

O. DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013, applicable Indian Accounting Standards (Ind AS), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other accounting principles generally accepted in India.

The accounting policies adopted in the preparation of the financial statements have been applied consistently and are appropriate to the nature of the Company's business and operations.

No accounting treatment different from that prescribed under the applicable Indian Accounting Standards has been followed in the preparation of the financial statements. In the event of any departure from the prescribed accounting standards in future, the nature of such departure, financial impact and management justification shall be disclosed in accordance with applicable regulatory requirements.

Annexure 1 to Appendix 'G'

PARTICULARS ON ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

(Pursuant to DPE Guidelines on Corporate Governance)

(A) ENVIRONMENTAL PROTECTION AND CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS

The major energy conservation initiatives undertaken by your company for the FY 2025-26 are as follows:

(a) Procurement of Inverter based welding machines, welding rectifiers

(b) Procurement of turbo Ventilation fans.

(c) Procurement of Energy efficient IE level 3 HT transformers.

(d) Procurement of LED lights viz., Flood lights, Street lights, Batten lights.

(e) Procurement of VFD drives.

(f) Procurement of 5 Star rated ACs.

Following sustainable development projects were undertaken by your company for the FY 2025-26:

(a) Procurement of green tariff energy to achieve 50% Renewable Energy target.

(b) Power Purchase Agreement (PPA) signed with NTPC Vidyut Vyapar Nigam Ltd for installation of 1375 KW roof top solar plant. Installation of 750 KW solar panels is in progress.

(B) TECHNOLOGICAL CONSERVATION

a) Basic Design Capabilities:

Your Company has significantly advanced its basic design capabilities by developing state-of the- art designs for a diverse range of ship types. These include Next Generation Missile Vessels, Corvettes, Destroyers, Cadet Training Ships, Multi-Purpose Vessels, Survey Training Ships, Offshore Patrol Vessels, and Fast Patrol Vessels, among others.

As a progression of these efforts, the Company has conducted model testing for Offshore Patrol Vessels, Fast Patrol Vessel and Training ship from the aforementioned vessels. Post model testing overall design has been refined and propulsion system has been finalised for these vessels. MDL has also established its proficiency in specialized fields such as Finite Element Analysis (FEA) and Computational Fluid Dynamics (CFD), further enhancing its design capabilities.

Basic Design capabilities enables shipyard to standardise ship designs as well as optimise designs and to build a body of accumulated engineering experience that feeds continuous improvement in future newbuilds, ultimately strengthening shipyards competitiveness, delivery reliability and reputation for technical self-sufficiency.

b) Industry 4.0 Initiatives:

To boost productivity, efficiency, and adaptability in its shipbuilding processes, your Company has adopted several key elements of Industry 4.0, fostering smarter decision-making and enabling greater customization:

1. Product Data Management / Product Lifecycle Management (PDM/PLM):

MDL has successfully implemented PDM/PLM systems for P17A ships. These systems support the complete lifecycle management of vessels—from initial design and production to service, retirement, and disposal. PDM functions as an integrated information system that promotes seamless collaboration across different disciplines involved in shipbuilding. PLM, meanwhile, is a comprehensive, data-driven approach that brings together people, processes, and technology to manage all phases of a product's life. Through PDM/PLM, the shipyard is able to maintain a detailed digital replica (digital twin) of the vessels, ensuring that critical data is accessible to all stakeholders throughout the ship's lifecycle.

2. Internet of Things (IoT):

As part of its Industry 4.0 transformation, MDL has implemented an IoT-based predictive maintenance system for twelve motors associated with the Impounding

Pump and Level Luffing Cranes No. 18 and 19. This system enhances operational reliability and reduces downtime through real-time monitoring.

3. **Virtual Reality (VR) and Augmented Reality (AR):**

The Company has established a cutting edge Virtual Reality Lab for validating 3D ship models and compartment layouts. This facility significantly reduces on-board rework, leading to time and cost savings.

Additionally, the lab has been upgraded with Augmented Reality capabilities. These AR modules allow ship models to be viewed in situ using specialized devices, facilitating more accurate inspections, identifying mismatches, and evaluating final installations with enhanced precision and understanding.

c) **Test Facility – In-house Fluid Testing Laboratory**

The Submarine Division of the Company has established an in-house Fluid Testing Laboratory at Alcock Yard for testing the cleanliness, pH, chloride and water content parameters of hydraulic oil (FHARI 7311) used in submarines. Earlier, owing to the non-availability of such facilities in-house, oil samples were required to be sent to CETEC Laboratory, France through Naval Group, resulting in a turnaround time of approximately 30–45 days for obtaining test results. In cases where samples failed the initial test, an additional 45 days were required for re-testing, leading to consequential project delays.

To overcome these challenges, the Company has developed an indigenous testing facility by procuring an advanced Leica DM4M optical microscope, establishing an ISO Class-5 Clean Room and training qualified personnel for conducting the tests. The laboratory is equipped to carry out tests for particulate contamination, pH, chloride content and water content in accordance with applicable Indian and international standards.

The in-house facility has significantly enhanced operational efficiency by reducing the testing turnaround time from several weeks to just 2–4 hours, enabling prompt corrective actions and minimizing project delays.

d) **Measuring Instrumentation:**

MDL has acquired self-reliance in acoustic measurement and its analysis for various equipment which used to be performed by the collaborator in the beginning.

e) **Online Interaction:**

Your company has adopted online video conferencing platforms for conducting discussions/ meetings/ seminars including the Technical Negotiations, Commercial Negotiation and Price Negotiations with various agencies. Most of the departments are augmented with media set up including cameras, large screen LCD displays, etc. to facilitate this.

(C) FOREIGN EXCHANGE CONSERVATION

Your company is pursuing a structured indigenization and capability development roadmap aligned with the Government's Atmanirbhar Bharat objectives and the Ministry of defence Positive Indigenization Lists (PIL). Indigenization of import items is undertaken through in-house development, collaborative efforts with industry partners and academia and also through research organizations such as DRDO, NSTL etc. MDL has indigenized 47 items in the financial year 2025-26 which has resulted in foreign exchange conservation of around INR 5.3 Cr for warships and submarines.

Appendix 'I-I' to the Board's Report

Declaration of Compliance with the Code of Conduct

(Pursuant to Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance)

It is hereby confirmed that affirmations of compliance with the Company's Code of Business Conduct and Ethics for Board Members, Senior Management and Key Managerial Personnel have been received from all Members of the Board of Directors and Senior Management Personnel of Mazagon Dock Shipbuilders Limited for the Financial Year 2025-26.

Sd/-
Capt. Jagmohan, (Retd.)
Chairman and Managing Director
DIN: 08630668

Date: 30 July 2026
Place: Mumbai

Appendix 'I' to the Board's Report

Compliance Certificate by CEO and CFO

Under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance

To
The Board of Directors
Mazagon Dock Shipbuilders Limited

A. We have reviewed financial statements and the cash flow statement of Mazagon Dock Shipbuilders Limited (MDL) for the year ended on 31st March 2026 and that to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the MDL during the year which are fraudulent, illegal or violative of the MDL code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of MDL's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

D. We have indicated to the auditors and the Audit Committee that:

i. there are no significant changes in internal controls over financial reporting during the year;

ii. there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

iii. there are no instances of significant fraud of which we have become aware.

Sd/-
Capt. Jagmohan, (Retd.)
Chairman & Managing Director
DIN: 08630668

Sd/-
Ruchir Agrawal
Director (Finance) and Chief Financial Officer
DIN: 10166533

Date: 30 April 2026
Place: Mumbai

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Mazagon Dock Shipbuilders Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Mazagon Dock Shipbuilders Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

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 Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and profit, 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 Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the notes to the standalone Ind AS financial Statements;

1. Balance of advances to vendors and balances outstanding in sundry creditors are subject to confirmation and reconciliation. (Refer Note 37 Point No. 1)
2. Balance due to/from Indian Navy (Debtor) is subject to confirmation and reconciliation. (Refer Note 37 Point No. 2)
3. Reversal of provision of Liquidated Damages (LD) amounted to ₹ 26,247 Lakhs. (Refer Note 57)
4. Recognition of a provision for expected loss on onerous contracts amounted to ₹ 1,05,959 Lakhs in accordance with Ind AS 115, Revenue from Contracts with Customers, and Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. (Refer Note 59)
5. Reversal of a provision for project related non-moving inventories amounted to ₹ 9,045.67 Lakhs. (Refer Note 60)

Our opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. As informed to us, the Company does not have any other information to be included in the annual report.

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

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

The Company's Board of Directors is 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 conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Key Audit Matters:

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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Revenue Recognition for Ship / Submarine Construction & Repair Contracts** Referred to in **Note No. 1 – 2.2(j)** of the Financials Statement The company recognizes the revenue from Ship/ Submarine Construction/ repair contracts when the company satisfies a performance obligation in accordance to Ind-AS 115 Revenue from Contracts from Customer only when it can reasonably measure its progress towards complete satisfaction of obligation or by transferring goods or service to a customer. When the control of the goods produced and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue. For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred) This revenue recognition process is identified as key audit matter as these contracts involved: - Identification of actual cost incurred on each contract. - These contracts require determination of stage of completion and significant estimation of future cost of completion of each contract. - At the period end, a significant amount of contract assets or contract liabilities related to each contract is to be identified. For the year ended March 31,2026, contract revenue amounted to ₹ 12,80,902 Lakhs (Previous year: ₹ 11,19,604 Lakhs).	We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods or services to the customer for recognition of revenue is in accordance with Indian Accounting Standards. Studied the Cost cycle process for allocating the actual expenses incurred on various projects as per contract. Assessed the reasonableness and completeness of cost estimates made by Management under each contract. In this regard, we have relied on the technical data provided by the various departments. Verified the Cost sheet for each project determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs to complete the project as provided by the management. Verified the input cost incurred over the time for satisfaction of performance obligation. Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail. Verified the identification and measurement of year end contract assets and contract liabilities related to each contract. We had assessed appropriateness of disclosure made as per applicable Indian Accounting Standards and applicable financial reporting framework.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
2	**Provision for Expected Loss on Onerous Fixed-Price Contracts** The Company has identified fixed-price contracts where future expected costs of fulfilling contract obligations exceeded the expected revenue from such contracts, resulting in an onerous contract. A provision for expected loss for onerous contracts was recognized as per Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. This was identified as a Key Audit Matter due to the material impact on the financial statements, significant judgment in cost estimation, and risk of misstatement in the provision (Refer Note 61 in the financial statements). For the year ended March 31,2026, the provision for expected loss on onerous contracts amounted to ₹ 1,05,959 Lakhs (PY ₹52,138 Lakhs).	Evaluated processes deployed by Management for identifying onerous contracts as per Ind AS 37. Tested cost estimates against project cost, historical data, and estimates made at the time of bidding. Reviewed the accuracy of provision recognized for full expected loss on each of identified onerous contracts. Compared total estimated cost under each contract, cost already incurred and expected future cost for fulfilling contract obligations, determined by the Management to arrive at expected loss on each contract. We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods to customer for recognition of revenue on these onerous contracts in accordance with Indian Accounting Standard. Examined cost overrun causes and controls identified by Management. We had assessed appropriateness of disclosure made as per applicable Indian Accounting Standards and applicable financial reporting framework

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report and Management discussion and analysis but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibilities are to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work, we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the Company has adequate internal financial controls 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the financial statements that, individually or 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 of 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 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 most significant in the audit of standalone financial statements for the current period We describe these matters in the auditor's report unless the 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 Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (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 Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements; (Refer Note No 36.2 to 36.5 to the standalone financial statements).

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. The Management has represented that

   a) to the best of its knowledge and belief, as disclosed in note 52 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

   b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 52 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

   c) Based on such audit procedures as 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) of the Companies (Audit and Auditors) Rules, 2014 as provided under (a) and (b) above contain any material misstatement

e. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 19 to the standalone financial statements).

f. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operating throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit and post implementation, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

4. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended; As per notification No. G.S.R. 463 (E). Dated 5th June 2015 issued by Ministry of Corporate Affairs, Provisions of section 197 of Companies Act 2013 is not applicable, being a Government Company. Accordingly, the section 197(16) of the Act is not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

5. As required under section 143(5) of the Companies Act, 2013, we give in the **'Annexure C'**, a statement on the directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statement of the company.

For SARDA & PAREEK LLP
Chartered Accountants
FRN No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789
UDIN: 26102789OTGHSN6620

Place: Mumbai
Date: April 30, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.	(a)	A	The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets.
	(a)	B	The Company has maintained proper records showing full particulars of intangible assets.
	(b)		The Company has a program of physical verification to cover all the items of Property, Plant & Equipment in a phased manner over a period of 3 (three) years. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
	(c)		The Title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreement is duly executed in favor of the lessee) are held in the name of the Company except for the list of below mentioned immovable properties. Registration formalities of certain lease deed of land in the name of Company are under execution. Status of leasehold property as on March 31, 2026 is as follows:

Description of Property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in name of the Company* *also indicate if in dispute
Lease hold Land					
North Yard, Near Mazdock House, Mumbai		Peninsular & Oriential Steam Navigation Company (P & O S.N.Co)	No	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on, the Company's name was changed to 'Mazagon Dock Limited" (MDL) thereafter to "Mazagon Dock Shipbuilders limited". Considering the facts, the updation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at north and south yard, MDL, Mumbai are under process. MDL has approached Ministry of Defense and O/o the Principal Director, Directorate General Defense Estate, New Delhi to provide the acquisition documents for correcting/ regularizing the land records. MDL has the true copy of Acquisition Agreement.
North Yard, Near Residential Colony, MDL, Mumbai			No	1975	
South Yard, Near Module shop, MDL, Mumbai		British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	No	1959	
South Yard, Near Mogul House, MDL, Mumbai				1947	
Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	No	1984	The Company is in possession of approx. 10- acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to coterminous with the leasehold right of ONGC with the CIDCO land in their possession.

(d)	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 revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
(e)	According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. In respect of the Company's Inventory:

a. As per the information and explanations given to us, the Inventory (except those held with third parties) has been physically verified by the Management and the external auditor during the year at reasonable intervals. The coverage and procedures of the verification carried out by the Management are appropriate. The discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of accounts. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during the year;

b. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements filed by the company with such banks are in agreement with the books of accounts of the Company.

iii. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not provided any security or granted any Loans or advance in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties during the year. The Company has not made any investments in or Firms or Limited Liability Partnerships during the year. The Company has made investments in one Subsidiary Company during the year.

a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has granted unsecured loans to companies and other parties, in respect of which the requisite information is as below:

₹ In Lakhs

Particulars	Loans
Aggregate amount during the year	
Others	-
Balance outstanding as at balance sheet date	
Others -	2000

b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the loans granted are not prejudicial to the interest of the Company. Further, the Company has not provided any guarantees or given any securities or granted any advance in the nature of loans during the year.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, which is repayable along with interest on induction of prototype of the product on successful completion of project, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments of principle and interest are not yet due. Further, the Company has not given any advance in the nature of loan to any party during the year.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties. Further, the Company has not given any advance in nature of loans to any party during the year.

f) 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 granted any loans either repayable on demand or without specifying any terms or period of repayment. Further, the Company has not given any advance in the nature of loans to any party during the year.

iv. 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 neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

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 provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and loans granted by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

v. 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 neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2026, which are in the nature of deposits.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

vii.(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees state Insurance, income-tax, sales tax, duty of customs , duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, income-tax, in arrears as at March 31, 2026, outstanding for a period of more than six months from the date they became payable.

vii.(b) According to the information and explanations given to us and the records of the Company examined by us, there are dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues which have not been deposited on account of any dispute are given below.

₹ is Lakhs

Name of the Statute	Nature of Dues	Period	Amount	Forum where dispute is pending	Part-payment under protest
Central Excise Act, 1944	Excise Duty (Including Interest/ Penalty)	FY 2000-01 to FY 2003-04	265.03	Commissioner (Appeals)	Nil
BST Act, 1959	Sales Tax	FY 1980-81 to FY 2004-05	99600.32	Maharashtra sales tax tribunal, Mumbai	240.79
CST Act, 1956	Sales Tax FY	1981-82, FY 2011-12	2.32	Jt. Commissioner of sales tax & MSTT	2.28
MVAT Act, 2002	Value added Tax	FY 2005-06 to FY 2017-18	16138.12	Jt. Commissioner of sales tax & MSTT	403.88
Karnataka Sales Tax Act	Karnataka Sales Tax	FY 1989-90 to FY 1992-93, FY 1995-96 to FY 1996-97	316.40	Pending before Karnataka sales tax appellate Tribunal	12.60
Service Tax Act, 1994	Service Tax (Including Interest/ Penalty)	FY 2001-02 to FY 2003-04	4721.93	Appeal before Bombay High Court	NIL
CGST Act, 2017	Sales Tax FY	2017-18	5.26	Commissioner (Appeals)	NIL
Customs Act, 1962	Custom Duty (Including Interest/ Penalty)	FY 2008-09, FY 2023-24, FY 2024-25	85	Assistant Commissioner of Customs	NIL
Income Tax Act, 1961	Interest U/s 234(c)	FY 2021-22	28.51	Commissioner of Income Tax (Appeals)	NIL
Income Tax Act, 1961	Income Tax	FY 2019-20	200.00	Commissioner of Income Tax (Appeals)	NIL

viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (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 has taken working capital loans from banks. There is no default committed by the company in repayment of loan or interest thereon due to any lenders 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, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us and on the basis of our examination of the records of the company, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation provided to us and on the basis of our examination of the records of the company, there are no funds raised on short term basis have been used for long-term purposes by the Company during the year. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanation provided to us and on the basis of our examination of the records of the company, the Company has not taken any funds from any entity or person or on account of or to meet the obligations of subsidiary, associate. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable to the Company.

(f) According to the information and explanation provided to us and on the basis of our examination of the records of the company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary, associate. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us and on the basis of our examination of the records of the company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

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

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, there was no whistle blower complaint received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

(b) On the basis of the report provided by the management, we have considered the report of the Internal Auditors issued till date for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi.(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 55 to the standalone financial statements), ageing and expected dates of realization 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 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.(a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, an amount of Rs. 1105.00 Lakhs remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to an ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Refer Note 30 (15) to the Standalone Financial Statements.

For SARDA & PAREEK LLP
Chartered Accountants
FRN No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789
UDIN: 26102789OTGHSN6620

Place: Mumbai
Date: April 30, 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Mazagon Dock Shipbuilders Limited** on the Standalone Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Mazagon Dock Shipbuilders Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, including has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SARDA & PAREEK LLP
Chartered Accountants
FRN No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789
UDIN: 26102789OTGHSN6620

Place: Mumbai
Date: April 30, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED

[Referred to in paragraph 5 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Mazagon Dock Shipbuilders Limited** on the Standalone Financial Statements for the year ended March 31, 2026]

As required under section 143(5) of the Companies Act, 2013, Statement on the directions issued by the Comptroller and Auditor General of India

According to the information and explanations given to us by the management and on the basis of our examination of books and records of the Company, we report that:

Sr. No.	Directions	Replies
1	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.	Investments for postretirement benefits of the employees is done by the separate Trusts established for the purpose of PF, Pension and Gratuity. Since we are not auditors of the trust, we are unable to comment about investments of the trust. In case of compensated absences, the company has invested in funds, which are fair valued at year end. The Company has obtained an independent actuarial valuation as at 31st March 2026 for its post-retirement benefit obligations (Gratuity, Pension and Post-Retirement Medical Benefits) in accordance with Ind AS 19 – Employee Benefits. The valuation has been carried out using the Projected Unit Credit (PUC) Method by a qualified independent actuary. The discount rate adopted is based on the prevailing market yield on Government Securities of appropriate tenure. The actuarial assumptions including salary escalation rate, attrition rate and mortality rate are consistent with past experience and are considered reasonable. In respect of Compensated Absences, the liability has been actuarially valued and the corresponding funds are invested and carried at fair value as at year end. The actuarial report and related disclosures have been incorporated in the financial statements.
2	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 empaneled 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.	The Company has a system in place to process all the accounting transactions through IT system. Based on our verification on test check basis during the audit, we have not come across accounting transactions outside IT system which may have implications on the integrity of the accounts along with the financial implications. Cyber security audit was carried out on 06.03.25 by cert-in Empanelled vendor and no material discrepancies were reported. Cyber security audit for FY 2025-26 is in progress.

Sr. No.	Directions	Replies
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	No Funds (grants/subsidy etc) were received / receivable for specific schemes from Central/State Government or its agencies during the year.
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified and recorded key risk areas and duly formulated Risk Management Policy to mitigate those risks. In our opinion and to the best of our information (a) the Risk Management Policy has been formulated considering global best practices. (b) The Company has identified its data assets. However, as informed to us, formal third party qualitative evaluation of the same is in process.
5	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 our verification on test check basis during the audit, we have not come across cases of deviation with respect to non compliances with applicable laws, rules and regulations such as 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 except non-compliance of Regulations 17(1), 18(1) and 19 of The Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015 due to inadequate numbers of Independent Directors including Women Directors. The appointment of Directors is made by the Government of India and hence the non-compliance is beyond the control of the Company.

For SARDA & PAREEK LLP
Chartered Accountants
FRN No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789
UDIN: 26102789OTGHSN6620

Place: Mumbai
Date: April 30, 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 MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2026

The preparation of standalone financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** 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 30 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2026 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

Sudha Rajan

(Sudha Rajan)
Director General of Audit (Defence-Commercial)

Place: Bengaluru
Date: 09 July 2026

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2026

₹ in lakhs

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	76,835	77,394
Right-of-use assets	2	64,690	67,038
Capital work-in-progress	3	24,533	13,320
Other intangible assets	2	1,671	2,140
Intangible assets under development	4	-	-
		1,67,729	**1,59,892**
Financial assets			
Investments	5	24,295	600
Trade receivable	6	1,875	1,773
Loans	7	2,000	2,000
Other financial assets	8	18,318	14,598
Deferred tax assets (net)	9	81,573	67,827
Non-current tax assets (net)	10	29,179	25,921
Other non-current assets	11	63,199	50,876
Total non-current assets		**3,88,168**	**3,23,487**
Current assets			
Inventories	12	2,55,608	4,53,708
Financial assets			
Trade receivables	13	2,56,387	1,06,721
Cash and cash equivalents	14	2,66,570	5,28,539
Bank balances other than cash and cash equivalents	15	10,21,236	10,86,422
Other financial assets	16	23,502	28,681
Contract assets		31,612	60,484
Assets held for sale		12	6
Other current assets	17	3,20,733	2,06,820
Total current assets		**21,75,660**	**24,71,381**
TOTAL ASSETS		**25,63,828**	**27,94,868**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	20,169	20,169
Other equity	19	8,64,147	6,97,915
Total equity		**8,84,316**	**7,18,084**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability		16	2,003
Trade payables			
i. Total outstanding dues of micro and small enterprises		-	-
ii. Total outstanding dues of creditors other than micro and small enterprises	20	1,875	1,773
Other financial liabilities	21	59	49
Long-term provisions	22	1,36,001	78,681
Other non-current liabilities	23	11,291	11,975
Total non-current liabilities		**1,49,242**	**94,481**
Current liabilities			
Financial liabilities			
Lease Liability		2	30
Trade payables			
i. Total outstanding dues of micro and small enterprises		34,678	22,687
ii. Total outstanding dues of creditors other than micro and small enterprises	24	4,13,842	3,51,143
Other financial liabilities	25	23,475	25,929
Contract liability		10,30,293	15,49,439
Other current liabilities	26	3,765	3,052
Short-term provisions	27	24,216	30,023
Total current liabilities		**15,30,271**	**19,82,303**
Total liabilities		**16,79,513**	**20,76,784**
TOTAL EQUITY AND LIABILITIES		**25,63,828**	**27,94,868**
Basis of Preparation and Material Accounting Policy	1 to 63		
The accompanying notes form an Integral part of Standalone Financial Statement.			

As per our report of even date

For and on behalf of the Board of Directors

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

STATEMENT OF STANDALONE PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2026

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
	INCOME			
1	Revenue from operations	28	12,83,964	11,43,188
2	Other income	29	1,14,275	1,15,911
3	**Total income**		**13,98,239**	**12,59,099**
4	**EXPENSES**			
	Cost of materials consumed	30	5,63,801	4,53,066
	Purchase of Stock-in-Trade		1,63,693	1,15,164
	Employee benefit expenses	31	93,651	97,875
	Finance costs	32	5,914	2,407
	Depreciation and amortization expenses		9,268	11,519
	Sub-contract Expenses		99,203	1,32,102
	Other expenses	33	1,02,114	64,304
	Provisions	34	35,547	71,742
	Total expenses		**10,73,191**	**9,48,179**
5	**Profit before tax and exceptional items**		**3,25,048**	**3,10,920**
6	Exceptional items		-	-
7	**Profit before tax and after exceptional items**		**3,25,048**	**3,10,920**
8	**Tax expense**			
	Current tax		95,217	86,279
	Deferred tax (credit) / charge		(13,746)	(7,847)
	Adjustment of tax relating to earlier years		-	-
9	**Profit for the year / period**		**2,43,577**	**2,32,488**
10	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined employee benefit plan		193	(368)
	Income tax effect		(49)	93
11	**Total comprehensive income for the year / period**		**2,43,721**	**2,32,213**
12	**Earning per share**			
	Basic and Diluted (₹)		**60.38**	**57.63**
	Basis of Preparation and Material Accounting Policy The accompanying notes an Integral part of Standalone Financial Statement.	1 to 63		

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

STATEMENT OF STANDALONE CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

₹ in lakhs

Sr No.	Particulars	March 31, 2026	March 31, 2025
A	Cash flow from operating activities		
	Profit before tax but after exceptional items	3,25,048	3,10,920
	Adjustments for :		
	(+) Non cash expenditure and non operating expenses		
	Depreciation / amortization	9,268	11,520
	Finance cost	5,914	2,407
	Forex variation	(50)	127
	Provisions	35,547	71,742
	(-) Non operating income		
	(Profit) / Loss on sale of fixed assets	(202)	(79)
	Interest income	(1,02,436)	(1,00,584)
	Dividend received	(550)	(4,754)
	Amortization gain on deferred deposits of vendors	(1)	(6)
	Amortization of deferred revenue (customer funded assets)	(687)	(687)
	Interest Income on deferred payment liability to foreign supplier	(450)	(427)
	Operating profit before working capital changes	**2,71,401**	**2,90,179**
	Movement in working capital		
	Decrease / (Increase) in Inventories	1,98,100	1,17,629
	Decrease / (Increase) in Trade receivables and loans and advances	(1,49,318)	78,391
	Decrease / (Increase) Other current and non current assets	(65,876)	1,33,536
	(Decrease) / Increase in Trade payables	75,035	(94,336)
	(Decrease) / Increase in Other current and non current liabilities	(5,06,916)	(2,20,943)
	Cash flow from operations	**(1,77,574)**	**3,04,456**
	Direct tax paid (net of refunds)	(98,524)	(94,251)
	Net cash from (used in) operating activities (A)	**(2,76,098)**	**2,10,205**
B	Cash flow from investing activities		
	Purchase of property, plant and equipment (net of adjustments)	(5,932)	(74,314)
	Capital work in progress	(11,213)	(6,157)
	Proceeds from sale of property, plant and equipment	242	92
	Capital advance	(30,035)	32,450
	Interest received	1,02,436	1,00,584
	Dividend received	550	4,754
	Fixed Deposits/Term Deposits	65,186	(1,87,307)
	Investment in equity shares of Subsidiary-Colombo Dockyard PLC	(23,695)	-
	Net cash from / (used in) investing activities (B)	**97,539**	**(1,29,898)**

STATEMENT OF STANDALONE CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026 (Contd..)

₹ in lakhs

Sr No.	Particulars	March 31, 2026	March 31, 2025
C	**Cash flow from financing activities**		
	Dividend paid	(77,490)	(71,197)
	Short term borrowings	-	-
	Interest on lease liabilities	(4)	(7)
	Finance costs - Others	(5,910)	(2,400)
	Repayment of priciple towards lease liability	(7)	(12)
	Net cash from / (used in) financing activities (C)	**(83,411)**	**(73,616)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,61,969)**	**6,691**
	Cash and cash equivalents at the beginning of the period	**5,28,539**	**5,21,848**
	Cash and cash equivalents at the end of the period	**2,66,570**	**5,28,539**
Note: Figure in bracket indicate outflow			

1 Statement of Cash Flows have been prepared under indirect method set out in IND AS-7 "Statement of Cash Flow" prescribed under Companies Act (Indian Accounting Standard) Rules, 2015 of Companies Act, 2013

2 Cash and cash equivalents as at the Balance sheet date consists of :

₹ in lakhs

Sr No.	Particulars	March 31, 2026	March 31, 2025
	Components of cash and cash equivalents:		
	Balances with banks:-		
	- In Current accounts		
	i) In India	64,056	1,52,781
	ii) Outside India	25	66
	- In cash credit accounts	320	2,765
	- In flexi deposit accounts	61,469	2,26,927
	- In fixed deposit accounts - maturity less than 3 months	1,40,700	1,46,000
	Total	**2,66,570**	**5,28,539**

3 Previous year figures are regrouped / recasted / rearranged wherever considered necessary.

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2026

(A) Equity share capital

For the year ended March 31, 2026 ₹ in lakhs

Balance as at April 1, 2025	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2025	Changes in equity share capital during the period	Balance as at March 31, 2026
20,169	-	20,169	-	20,169

For the year ended March 31, 2025 ₹ in lakhs

Balance as at April 1, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2024	Changes in equity share capital during the period	Balance as at March 31, 2025
20,169	-	20,169	-	20,169

(B) Other equity

For the period ended March 31, 2026 ₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigeni-sation Fund	Capital Re-demption Reserve	Other Com-prehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2025	4,60,132	2,31,244	5	1,037	12,123	(6,626)	6,97,915
Adjustments during the year				-			-
Profit / (loss) for the year	2,43,577						2,43,577
Other comprehensive income / (loss) for the year						144	144
Dividends							
2nd interim dividend FY 24-25	(12,101)						(12,101)
1st interim dividend FY 25-26	(24,203)						(24,203)
Final dividend FY 24-25	(10,932)						(10,932)
2nd interim dividend FY 25-26	(30,254)						(30,254)
Balance as at March 31, 2026	**6,26,220**	**2,31,244**	**5**	**1,037**	**12,123**	**(6,482)**	**8,64,147**

For the period ended March 31, 2025 ₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigeni-sation Fund	Capital Re-demption Reserve	Other Com-prehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2024	2,98,841	2,31,244	5	1,037	12,123	(6,351)	5,36,899
Profit / (loss) for the year	2,32,488						2,32,488
Other comprehensive income / (loss) for the year						(275)	(275)
Dividends							
1st interim dividend FY 24-25	(46,772)						(46,772)
Final dividend FY 23-24	(24,425)						(24,425)
Balance as at March 31, 2025	**4,60,132**	**2,31,244**	**5**	**1,037**	**12,123**	**(6,626)**	**6,97,915**

Material accounting policies and accompanying notes No. 1 to 63 form an integral part of the financial statements

Refer Note 19 for further details

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

Note 1: Statement of Material Accounting Policies

1) Corporate information:

Mazagon Dock Shipbuilders Limited (MDL) is a Government of India, Navratna Public sector undertaking incorporated and domiciled in India. The registered office is located at Dockyard Road, Mumbai, India. The Company is a public limited company and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Limited, India.

The Company's primary business activities comprise building and repairing of ships, submarines, various types of vessels and related engineering products for its customers.

The Financial Statements have been approved for issue in accordance with a resolution of the Board of directors passed in its meeting held on April 30, 2026.

2) Material accounting policies:

2.1 Basis of preparation:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Summary of material accounting policies:

a) Use of estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

Estimates and assumptions are required in particular for:

i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized:

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the 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.

iii. Recognition of deferred tax assets:

A deferred tax asset is recognised for all the deductible temporary differences and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the unused tax losses can be utilized. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may vary.

v. Discounting of long-term financial liabilities

All financial liabilities are measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from contracts with customers'. The estimates are revised periodically.

b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

i. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading

iii. Expected to be realised within twelve months after the reporting period, or

iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

ii. A liability is treated as current when it is:

i. It is expected to be settled in normal operating cycle

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

c) Property, plant and equipment:

i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

- Cost means cost of acquisition, inclusive of inward freight, duties, non-refundable taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.
- When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
- Spares purchased along with PPE are capitalised.
- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1st April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1st April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

ii. Depreciation:

(a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30

(b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.

(c) Additions to assets individually costing ₹5000 or less are depreciated at 100%.

(d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.

(e) In respect of additions / extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.

(f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Depreciation on property, plant and equipment commences when the assets are ready for intended use

(h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.

(i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.

(j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

d) Intangible assets:

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

e) Impairment of assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Investment in associate:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

Exemption availed under Ind AS 101: On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

g) Foreign currency transactions:

The financial statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

h) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

i) Inventory valuation

i. Raw materials and stores and general spares are valued at lower of weighted average cost and net realisable value.

ii. Equipment for specific projects are valued at cost.

iii. Stock-in-transit is valued at cost.

iv. Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.

v. Scrap is valued at estimated net realisable value.

vi. Work in progress and finished goods (other than construction contracts & ship repair contracts) include purchase cost, conversion and other cost incurred in bringing them to the present location and condition have been valued at lower of cost and net realisable value.

vii. Cost of Stock in Trade includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition.

j) Revenue recognition

i. Ship construction & repair contracts

Revenue from Ship Construction / repair Contracts shall be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met-

(a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs

(b) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or

(c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time under the percentage of completion method (PoC). Penalties, if any, will be reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

Fixed Price Contract:

Revenues from construction contracts with customers are recognized over time using input method i.e. by comparing the actual costs incurred to the total costs anticipated for the entire contract. These estimates are revised periodically.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction / repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

Cost Plus Contract:

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably. Penalties, if any will be reduced from the revenue.

Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

Contract Asset:

The company's right to consideration in exchange for goods or services that the company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract Liability:

The company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

Revenue from supply of Base & Depot (B&D) spares:

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

Revenue for contract is yet to be finalized or under revision:

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/ determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

Significant financing component:

Stage payments received towards execution of defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on case to case basis.

ii. Dividend income

Dividend income from investments is recognized when the Company's right to receive payment has been established.

iii. Interest income

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

iv. Insurance claims:

Amounts due against insurance claims are accounted for on accrual basis; in respect of claims which are yet to be finally settled at the end of reporting date by the underwriter, credits are reckoned, based on the company's estimate of the realisable value.

k) 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:

i. Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

ii. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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.

iii. Financial assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

iv. Financial assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v. Financial assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi. Investment in equity instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. Investment in Subsidiaries, Associates and Joint ventures are accounted at cost.

vii. Investment in debt instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

viii. Impairment of financial asset:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

a) Expected Credit Loss Allowance is recognised in accordance with the simplified approach prescribed under Ind AS 109 – Financial Instruments for impairment of trade receivables. Financial Instruments which require expected life time losses to be recognised are done accordingly and loss allowance is generally recognised for debts outstanding for more than 3 years, except those which are contractually not due as per the terms of the contract or those which are considered realisable based on a case-to-case review.

b) Where dues are disputed in legal proceedings, loss allowance is recognised if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

c) Expected credit loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss.

ix. Derecognition of financial assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities:

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

i. Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

ii. Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. In each financial year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

iii. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

iv. Retentions

Retention amount payable / receivable under the terms of the contracts with the vendors / customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

v. Security deposit

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.

l) Leases

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 "Leases", Appendix A of Ind AS 17 "Operating Leases—Incentives", Appendix B of Ind AS 17 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". and Appendix C of Ind AS 17 "Determining Whether an Arrangement Contains a Lease".

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments.

There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.

The Company adopted the new standard Ind AS 116 for accounting period beginning on or after April 1,2019 using retrospective method and therefore the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings with restatement of comparative information.

Identifying a lease

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease" is maintained for existing contracts.

i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating lessees under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period (which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of

the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. - Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1,2018..

- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1,2018, and as a result the Company has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1,2018 have been treated as short term.

Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease.

b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of Rs.1,00,000/- has been utilised to define "low value".

The Company's operating leases mainly relate to real estate assets, company cars and equipment. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31,2019, measured under Ind AS 17.

ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Compensated Absences:

The Compensated Absences cover the Company's liability for earned and sick leaves.

The compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Total liability related to this is presented as current, since the Company does not have an unconditional right to defer its settlement. Actuarial gains/losses, if any, are recognised immediately in the Consolidated Statement of Profit and Loss.

iii. Post-employment obligations

(a) Defined contribution plans –

Payments to defined contribution plans are charged to the statement of profit and loss when employees have rendered service entitling them to the contributions as per pre-approved schemes.

(b) Defined benefit plans –

The cost of providing benefits under defined benefit plans are determined separately for each plan using the projected unit credit method. This attributes the increase in present value of the defined benefit obligation resulting from employee service in the current period to determine current service cost. The current service cost as stated above and past service costs, resulting from a plan amendment are recognized in the statement of profit and loss under 'employee benefits expense'.

Net interest which is recognized in the statement of profit and loss under 'employee benefits expense' represents the net change in present value of defined benefit obligations and the value of plan assets resulting from the passage of time, and is determined by applying the discount rate to the present value of the benefit obligation and to the fair value of plan assets at the beginning of the year, taking into account expected changes in the obligation or plan assets during the year.

Re-measurement of the defined benefit liability and asset, comprising actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest) are recognized in Other Comprehensive Income in the period in which they occur and are not subsequently reclassified to the statement of profit and loss.

The company presents remeasurement of defined benefit plans as a part of retained earnings

Surplus or deficit recognized in the Financial Statements for each defined benefit plan is the difference between the present value of the defined benefit obligation and the fair value of plan assets. The deficit for each plan managed through separate Trust Fund is to be settled directly to such Trust Fund. Defined benefit plan surpluses are only recognized to the extent they are recoverable, naturally by way of refund or reductions in future contributions to the plans.

n) Dividend to equity shareholders

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

o) Provision for current & deferred tax

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax:

Current tax comprises of the expected tax payable on the taxable income for the year. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

p) Provision for doubtful debts and loans and advances:

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

q) Warranty provision:

Provision for warranty related costs are recognised when the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

r) Provision, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

Note 2 - Property, Plant and Equipment

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Additions	Adjustments	Disposal	Balance 31-03-2026	Opening 01-04-25	For the period	Adjustments	Disposal	Balance 31-03-2026	As on 31-03-2026	As on 31-03-25
A	**Assets Owned by MDL**												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building	13,298	820	-	5	14,113	2,975	452	-	3	3,424	10,689	10,323
	ii) Office and Staff Quarters											-	-
	a) RCC	8,061	242	-	-	8,303	1,425	175	-	-	1,600	6,703	6,636
	b) Non RCC	2,571	617	-	-	3,188	449	107	-	-	556	2,632	2,122
	iii) Others (Temporary structure)	157	-	-	-	157	129	13	-	-	142	15	28
3	Road	4,441	-	-	-	4,441	2,373	716	-	-	3,089	1,352	2,068
4	Plant and Equipment	30,710	921	-	294	31,337	14,716	1,854	-	279	16,291	15,046	15,994
5	Furniture and Fixtures	2,603	149	-	35	2,717	1,588	177	-	26	1,739	978	1,015
6	Vehicles	2,195	38	-	30	2,203	1,849	59	-	28	1,880	323	346
7	Office Equipment	5,074	324	-	152	5,246	3,870	379	-	151	4,098	1,148	1,204
8	Computers and Data Processing Units											-	-
	i) Desktops, Laptops etc.	1,098	194	-	188	1,104	564	314	-	185	693	411	534
	ii) Server and Network	4,839	98	-	174	4,763	4,060	231	-	173	4,118	645	779
9	Loose Tools	627	10	-	76	561	494	48	-	76	466	95	133
10	Ship - Launches and Boats	6,867	634	-	-	7,501	1,150	262	-	-	1,412	6,089	5,717
11	Electrical Installation and Equipments	3,636	1,599	-	111	5,124	1,938	379	-	105	2,212	2,912	1,698
12	Right to use asset - Leasehold land	73,437	-	-	-	73,437	6,425	2,322	-	-	8,747	64,690	67,012
13	Right to use asset - Vehicles	560	-	-		560	534	26			560	-	26
	Sub-total	**1,70,949**	**5,646**	**-**	**1,065**	**1,75,530**	**44,539**	**7,514**	**-**	**1,026**	**51,027**	**1,24,503**	**1,26,410**
	Previous Year's Figures	98,346	73,287	-	684	1,70,949	35,428	9,779	-	668	44,539	1,26,410	62,918

Note: Vessels under the head "Launches and Boats" costing ₹ 4934 lakhs (2025 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Addi-tions	Adjust-ments	Disposal	Balance 31-03-26	Opening 01-04-25	For the period	Adjust-ments	Dis-posal	Balance 31-03-26	As on 31-03-26	As on 31-03-25
1	Buildings: i) Factory Building	16,265	-	-	-	16,265	4,736	508	-	-	5,244	11,021	11,529
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	233	29	-	-	262	1,384	1,413
	b) Non RCC	-	48	-	-	48	-	-	-	-	-	48	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12	12
3	Plant and Equipment	7,533	-	-	-	7,533	3,499	388	-	-	3,887	3,646	4,034
4	Electrical Installation and Equipments	649	-	-	-	649	500	62	-	-	562	87	149
5	Furniture and Fixtures	216	-	-	1	215	165	20	1	-	186	29	51
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9	9
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	0	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	321	39	-	-	360	783	822
	Sub-total	**28,080**	**48**	**-**	**1**	**28,127**	**10,057**	**1,046**	**1**	**-**	**11,104**	**17,023**	**18,023**
	Previous Year's Figures	28,059	21	-	-	28,080	9,011	1,046	-	-	10,057	18,023	19,048
	Total Tangibles Assets (A+B)	**1,99,028**	**5,694**	**-**	**1,066**	**2,03,656**	**54,596**	**8,560**	**1**	**1,026**	**62,131**	**1,41,525**	**1,44,432**
	Previous Year's Figures	1,26,404	73,308	-	684	1,99,028	44,439	10,825	-	668	54,596	1,44,432	81,965

Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Addi-tions	Adjust-ments	Disposal	Balance 31-03-26	Opening 01-04-25	For the period	Adjust-ments	Dispos-al	Balance 31-03-26	As on 31-03-26	As on 31-03-25
A	**Assets Owned by MDL**												
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	1,069	19	-	-	1,088	1	20
2	Other than SAP-ERP	7,802	239	-	-	8,041	5,682	689	-	-	6,371	1,670	2,120
	Sub Total	**8,891**	**239**	**-**	**-**	**9,130**	**6,751**	**708**	**-**	**-**	**7,459**	**1,671**	**2,140**
	Previous Year's Figures	7,885	1,006	-	-	8,891	6,056	695	-	-	6,751	2,140	1,829

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Additions	Adjustments	Disposal	Balance 31-03-26	Opening 01-04-25	For the period	Adjustments	Disposal	Balance 31-03-26	As on 31-03-26	As on 31-03-25
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-	-
	Sub Total	**1,181**	**-**	**-**	**-**	**1,181**	**1,181**	**-**	**-**	**-**	**1,181**	**-**	**-**
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-	-
	Total Intangible Assets (A+B)	**10,072**	**239**	**-**	**-**	**10,311**	**7,932**	**708**	**-**	**-**	**8,640**	**1,671**	**2,140**
	Previous Year's Figures	9,066	1,006	-	-	10,072	7,237	695	-	-	7,932	2,140	1,829
	Total Assets (i+ii)	**2,09,100**	**5,933**	**-**	**1,066**	**2,13,967**	**62,528**	**9,268**	**1**	**1,026**	**70,771**	**1,43,196**	**1,46,572**
	Previous Year's Figures	1,35,470	74,314	-	684	2,09,100	51,676	11,520	-	668	62,528	1,46,572	83,794

(i) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land has been be retained by the Company and possession is handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Building as at 31st March 2026 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

vi) Capital expenditure on Research and Development aggregating to ₹ 78 lakhs (Previous year - ₹ 325 lakhs) is reflected under respective various heads in the above note.

Note 2 - Property, Plant and Equipment (Contd.....)

vii) Assets jointly funded by MDL and Indian Navy

₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	As on 31-03-2026	As on 31-03-25
1	Total Cost upto 31.03.2026	34,031	703	64,467	345	96	1,984	162	241	1,418	133	1,03,580	1,03,533
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,109	21	4,154	-	-	159	8	-	237	133	10,821	10,774
	Previous Year's Figures	6,062	21	4,154	-	-	159	8	-	237	133	10,774	10,753

(xi) Title deeds of immovable properties not held in the name of the company as on 31.03.2026

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	Lease hold Land					
PPE	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriential Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL)was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on the Company's name was changed to 'Mazagon Dock Limited" (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process. MDL has approched Ministry of Defence and O/o the Principal Director, Directorate General Defence Estate, New Delhi to provide the acquisition documents for correcting/ regularising the land records.
	North Yard, Near Residential Colony, MDL,Mumbai				1975	
	South Yard,Near Module shop,MDL,Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard,Near Mogul House,MDL,Mumbai				1947	

Note 2 - Property, Plant and Equipment (Contd.....)

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building					
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Additions	Adjustments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjustments	Disposal	Balance 31-03-25	As on 31-03-25	As on 31-03-24
A	**Assets Owned by MDL**												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building	11,934	1,367	-	3	13,298	1,553	1,425	-	3	2,975	10,323	10,381
	ii) Office and Staff Quarters												
	a) RCC	7,900	164	-	3	8,061	1,257	170	-	2	1,425	6,636	6,643
	b) Non RCC	2,026	545	-	-	2,571	358	91	-	-	449	2,122	1,668
	iii) Others (Temporary structure)	146	11	-	-	157	111	18	-	-	129	28	35
3	Road	4,441	-	-	-	4,441	1,657	716	-	-	2,373	2,068	2,784
4	Plant and Equipment	28,460	2,297	-	47	30,710	11,512	3,245	-	41	14,716	15,994	16,948
5	Furniture and Fixtures	2,479	145	-	21	2,603	1,387	205	-	4	1,588	1,015	1,092
6	Vehicles	2,202	5	-	12	2,195	1,790	70	-	11	1,849	346	412
7	Office Equipment	4,900	197	-	23	5,074	3,476	427	-	33	3,870	1,204	1,424
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	1,138	304	-	344	1,098	668	240	-	344	564	534	470
	ii) Server and Network	4,226	619	-	6	4,839	3,838	227	-	5	4,060	779	388
9	Loose Tools	849	3	-	225	627	671	48	-	225	494	133	178
10	Ship - Launches and Boats	4,934	1,933	-	-	6,867	933	217	-	-	1,150	5,717	4,001
11	Electrical Installation and Equipments	3,439	197	-	-	3,636	1,655	283	-	-	1,938	1,698	1,784
12	Right to use asset - Leasehold land	7,937	65,500	-	-	73,437	4,087	2,338	-	-	6,425	67,012	3,850
13	Right to use asset - Vehicles	560	-	-		560	475	59			534	26	85
	Sub-total	**98,346**	**73,287**	**-**	**684**	**1,70,949**	**35,428**	**9,779**	**-**	**668**	**44,539**	**1,26,410**	**62,918**
	Previous Year's Figures	1,12,862	6,672	(20,368)	821	98,346	32,246	6,743	(2,763)	798	35,428	62,918	80,616

Note: Vessels under the head "Launches and Boats" costing ₹ 4934 lakhs (2024 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Addi-tions	Adjust-ments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjust-ments	Dispos-al	Balance 31-03-25	As on 31-03-25	As on 31-03-24
1	Buildings: i) Factory Building	16,244	21	-	-	16,265	4,228	508	-	-	4,736	11,529	12,016
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	204	29	-	-	233	1,413	1,442
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12	12
3	Plant and Equipment	7,533	-	-	-	7,533	3,111	388	-	-	3,499	4,034	4,422
4	Electrical Installation and Equipments	649	-	-	-	649	438	62	-	-	500	149	211
5	Furniture and Fixtures	216	-	-	-	216	145	20	-	-	165	51	71
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9	9
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	0	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	282	39	-	-	321	822	861
	Sub-total	**28,059**	**21**	**-**	**-**	**28,080**	**9,011**	**1,046**	**-**	**-**	**10,057**	**18,023**	**19,048**
	Previous Year's Figures	28,059	-	-	-	28,059	7,978	1,033	-	-	9,011	19,048	20,081
	Total Tangibles Assets (A+B)	**1,26,404**	**73,308**	**-**	**684**	**1,99,028**	**44,439**	**10,825**	**-**	**668**	**54,596**	**1,44,432**	**81,965**
	Previous Year's Figures	1,40,921	6,672	(20,368)	821	1,26,404	40,224	7,776	(2,763)	798	44,439	81,965	1,00,697

Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Addi-tions	Adjust-ments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjust-ments	Dispos-al	Balance 31-03-25	As on 31-03-25	As on 31-03-24
A	**Assets Owned by MDL**												
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	1,027	42	-	-	1,069	20	62
2	Other than SAP-ERP	6,796	1,006	-	-	7,802	5,029	653	-	-	5,682	2,120	1,767
	Sub Total	**7,885**	**1,006**	**-**	**-**	**8,891**	**6,056**	**695**	**-**	**-**	**6,751**	**2,140**	**1,829**
	Previous Year's Figures	7,255	630	-	-	7,885	5,519	537	-	-	6,056	1,829	1,736

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Addi-tions	Adjust-ments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjust-ments	Dispos-al	Balance 31-03-25	As on 31-03-25	As on 31-03-24
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-	-
	Sub Total	**1,181**	**-**	**-**	**-**	**1,181**	**1,181**	**-**	**-**	**-**	**1,181**	**-**	**-**
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-	-
	Total Intangible Assets (A+B)	**9,066**	**1,006**	**-**	**-**	**10,072**	**7,237**	**695**	**-**	**-**	**7,932**	**2,140**	**1,829**
	Previous Year's Figures	8,436	630	-	-	9,066	6,700	537	-	-	7,237	1,829	1,736
	Total Assets (i+ii)	**1,35,470**	**74,314**	**-**	**684**	**2,09,100**	**51,676**	**11,520**	**-**	**668**	**62,528**	**1,46,572**	**83,794**
	Previous Year's Figures	1,49,357	7,302	(20,368)	821	1,35,470	46,924	8,313	(2,763)	798	51,676	83,794	1,02,433

(i) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land has been be retained by the Company and possession is handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Mumbai Port Authority vide allotment letter No. EM/U-8/MDSL-Gen/Vol V/6127 & letter No. EM/U-8/MDSL-Gen/Vol. V/6128 dated 11 March 2024 has granted lease for 04 Plots & 08 Plots respectively for a period of 29 Years from 01/04/2024 to 31/03/2053.

The title of above Plots are in name of MDL vide above mentioned allotment letters. MDL had submitted the application for adjudicating Stamp Duty on Lease Deeds of these 04 Plots & 08 Plots. The O/o Collector of Stamp, Mumbai City, has given the final order for payment of Stamp Duty on 04 Plot's and 08 Plot's Lease Deed. The excecution of Lease deed for 04 Plots & 08 Plots is under process.

(vi) Company has entered into a new lease with Mumbai Port Authority (MbPA) for land admeasuring 14.55 Acres and building (Workshop land and Clarke Basin), adjacent to the company's land. The lease term is 29 years effective from April 1, 2024. An amount of Rs. 29,801 lakhs was paid to MbPA in FY 2023-24 has now been capitalised and Right to Use Asset (RoU) asset has been created on the same. As on 31.03.2025, the lease deed for the adjacent lease land is under execution.

Note 2 - Property, Plant and Equipment (Contd.....)

(vii) During the year ended 31st March 2025, the Company acquired a parcel of land on lease from Mumbai Port Authority (MbPA) along with an existing building structure (Acquisition cost building structure ₹ 24.85 Cr) thereon. Post-acquisition, the building structure was evaluated through technical assessment. The assessment concluded that the building was in a dilapidated condition, with limited residual utility and structural integrity, and therefore had a useful life of only one year from the date of acquisition. Accordingly, the useful life of the building structure was revised to one year, and the change has been accounted.

(viii) Building as at 31st March 2025 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(ix) Capital expenditure on Research and Development aggregating to ₹ 325 lakhs (Previous year - ₹ 733 lakhs) is reflected under respective various heads in the above note.

(x) Assets jointly funded by MDL and Indian Navy

₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2025	As on 31-03-24
1	Total Cost upto 31.03.2025	33,984	703	64,467	345	96	1,984	162	241	1,418	133	1,03,533	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,062	21	4,154	-	-	159	8	-	237	133	10,774	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

(xi) Title deeds of immovable properties not held in the name of the company as on 31.03.2025

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE	**Lease hold Land**					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriential Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL)was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on the Company's name was changed to 'Mazagon Dock Limited" (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process. MDL has approched Ministry of Defence and O/o the Principal Director, Directorate General Defence Estate, New Delhi to provide the acquisition documents for correcting/ regularising the land records.
	North Yard, Near Residential Colony, MDL,Mumbai	-			1975	
	South Yard,Near Module shop,MDL,Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard,Near Mogul House,MDL,Mumbai	-			1947	
	355 Phase North yard	-	Mumbai Port Trust (Mbpt)	Yes. MbPA has issued Charge Certificate	1976	Mumbai Port Authority vide allotment letter No. EM/U-8/MDSL-Gen/Vol V/6127 dated 11 March 2024 has granted lease for 04 Plots for a period of 29 Years from 01/04/2024 to 31/03/2053. Mumbai Port Authority vide allotment letter No. EM/U-8/MDSL-Gen/Vol. V/6128 dated 11 March 2024 has granted lease for 08 Plots for a period of 29 Years from 01/04/2024 to 31/03/2053. MDL is regularly paying the lease rent to MbPA as agreed between MDL and MbPA. The title of above Plots are in name of MDL vide above mentioned allotment letters. The excecution of Lease deed for 04 Plots & 08 Plots is under process.
	Extension of Phase II	-			1979	
	Extension of Slipway in SY	-			1995	
	Additional water area for Extn of Slipway	-			2003	

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
	LRR No 1997 (20801509)	-			1994	
	LRR No. 2018 Magazine street (20801510)	-			1994	
	Lease of Plot 357 (20801638)	-			1964	
	358 RECL of Bal. Area (20801643)	-			1994	
	Water area for proposed WET Basin PRO (20801653)	-			2007	
	Approach Road to Mazagaon Pier (20801654)	-			2007	
	Direct allotment of Foreshore Land (20801655)	-			2007	
	Addl. Water area for Dolphins & Walkways (20801656)	-			2009	

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
	Adjacent Workshop Land and clerk Basin Area		Mumbai Port Trust (Mbpt)	Yes. MbPA has issued Charge Certificate	2024	MDI has acquired the land from MbPA for 29 Years from 1/04/2024 to 31/03/2053. The Execution of lease deed for this land is under process. Mumbai Port Authority vide allotment letter EM/U-9/MDL/Misc/119-6119 dated 07th March, 2024.
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building					
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-

3 Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Capital work-in-progress				
1. Own resources				
A. Tangible assets				
Opening balance	13,673		7,177	
Add: Expenditure during the period	17,145		79,804	
Less: Capitalisation during the period	(5,932)	24,886	(73,308)	13,673
Less: Provision for Tangible assets		(353)		(353)
Total		**24,533**		**13,320**

3 (A) Ageing for capital work-in-progress as at March 31, 2026 as follows:

₹ in lakhs

Particulars	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*	10,951	7,490	3,416	2,676	24,533
Projects temporarily suspended	-	-	-	353	353
Less: Provision	-	-	-	(353)	(353)
Total	**10,951**	**7,490**	**3,416**	**2,676**	**24,533**

3 (B) Completion schedule - Time and Cost overrun 2025-26

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT plant.	-	26	-	-	26
Consultancy for MDP gavan land	-	241	-	-	241
Greenfield shipyard Nhava infrastructure	-	-	-	296	296
Caisson gate	1,315	-	-	-	1,315
Shipbuilding and ship repair facility at Nhava yard	-	-	-	43	43
Desk studies at Nhava yard	-	-	-	65	65
Civil, mechanical & electrical of submarine launch facility at Alcock yard	920	-	-	-	920
Goliath crane NY slipway	54	-	-	-	54
Design & Development of Mobile Target Emulator (MTE)	1	-	-	-	1
Repair of caisson gate of workshop 'c' of East yard dry dock	124	-	-	-	124
Midget Submarine project	1,951	-	-	-	1,951
Consultancy services for creation of submarine launch facility at Alcock yard	31	-	-	-	31
Restorative repair/construction of kasara dolphin jetty, North yard	548	-	-	-	548
Construction of rcc/asphalt roads at North yard	419	-	-	-	419
Construction of hard stand with land ties, brackets and service trench including allied electrical works at Nhava yard	5,507	-	-	-	5,507
Renovation of boat deck quarter p o terrace, residential area, Mumbai	25	-	-	-	25

3. Capital work-in-progress (Contd......)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Architectural/consultancy services for construction of security complex at main gate	25	-	-	-	25
Construction of new hydraulic clean room, in CAS shop, East yard	5	-	-	-	5
Total*	**10,925**	**267**	**-**	**404**	**11,596**

*There is no cost over run in any project, only time over run which is as per above table

3 (C) Completion schedule - Suspended projects as at March 31, 2026 as follows: ₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Design, Fabrication, Transportation, Installation and Commission of Portable Slipway Covers	-	-	-	353	353
Total	**-**	**-**	**-**	**353**	**353**

3 (a) Ageing for capital work-in-progress as at March 31, 2025 as follows: ₹ in lakhs

Particulars	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*	4,970	1,841	3,536	2,973	13,320
Projects temporarily suspended	-	-	-	353	353
Less: Provision	-	-	-	(353)	(353)
Total	**4,970**	**1,841**	**3,536**	**2,973**	**13,320**

3 (b) Completion schedule - Time and Cost overrun 2024-25

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT Plant	-	-	-	17	17
Consultancy for MDP at Gavan	-	-	-	243	243
Greenfield Shipyard at Nhava	-	-	-	65	65
Fire Alarm & Fire Fighting System	-	-	-	304	304
Caisson Gate	-	1,215	-	-	1,215
Upgradation of MDL Tug MT Andaman	227	-	-	-	227
Midget Submarine Project	-	-	1,951	-	1,951
Repair Facility at NHAVA Yard	-	-	-	43	43
High Mast Light	103	-	-	-	103
Desk Studies for Creation of A Greenfield Shipyard At Nhava Yard	-	-	-	296	296
Submarine Launch Facility	638	-	-	-	638
Modernisation of Bond Stores	37	-	-	-	37
Power Supply-1.5MW at Nhava Yard	191	-	-	-	191
Caisson Gate of Workshop 'C' of East Yard Dry Dock	124	-	-	-	124
ACs for Security complex	861	-	-	-	861
Total*	**2,181**	**1,215**	**1,951**	**968**	**6,315**

*There is no cost over run in any project, only time over run which is as per above table

3. Capital work-in-progress (Contd......)

3 (c) Completion schedule - Suspended projects as at March 31, 2025 as follows: ₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Design, Fabrication, Transportation, Installation and Commission of Portable Slipway Covers	-	-	-	353	353
Total	**-**	**-**	**-**	**353**	**353**

4 Intangible assets under development

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Opening balance	-		339	
Add: Expenditure during the period	-		667	
Less: Capitalisation/adjustments during the period	-	-	(1,006)	-
Total		**-**		**-**

5 Non-current investments

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
a) Investment in equity shares of Subsidiary Company (at cost)				
Quoted		23,695		-
Equity shares of Subsidiary - Colombo Dockyard PLC, Sri Lanka				
20,15,65,500 Equity shares of ₹ 1 each fully paid up (in Previous year - Nil Equity shares of ₹ Nil each fully paid up)				
Aggregate amount of impairment in value of investments		-		-
b) Investment in equity shares of Associate Company (at cost)				
Unquoted		600		600
Investments in Equity shares of Associate Concern - Goa Shipyard Limited				
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)				
Aggregate amount of impairment in value of investments		-		-
Total		**24,295**		**600**
Aggregate carrying value of quoted investments		23,695		-
Aggregate amount of Quoted Investment at Market Value		74,121		-
Aggregate carrying value of unquoted investments		600		600

Note -

During the year, Mazagon Dock Shipbuilders Limited acquired a controlling stake of 51% in Colombo Dockyard PLC (CDPLC), thereby obtaining control in accordance with Ind AS 110 – Consolidated Financial Statements and accounting for the transaction as a business combination under Ind AS 103 – Business Combinations; the acquisition, approved by the Board and completed in compliance with the provisions of the Companies Act, 2013 and other applicable regulations, is aligned with the Company's strategic objectives.

6 Trade receivables - non-current

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
(Unsecured, considered good)		
Deferred debts	2,413	2,263
Less: Amount receivable within 12 months	(538)	(490)
Total	**1,875**	**1,773**

Ageing for trade receivables-non-current outstanding as at March 31, 2026 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	-	1,875	1,875
(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	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**1,875**	**1,875**

Ageing for trade receivables-non-current outstanding as at March 31, 2025 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	-	1,773	1,773
(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	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**1,773**	**1,773**

7 Loans - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Loans Receivables considered good - Secured		-		-
Loans Receivables considered good - Unsecured		2,000		2,000
Loans Receivables which have significant increase in credit Risk; and		-		-
Loans Receivables credit impaired		-		-
		2,000		**2,000**

8 Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Unsecured, considered good)				
Security deposits:				
Security deposits with Mumbai Port Trust		469		461
Other deposits		976		432
Fixed deposits with bank with maturity over 12 months		340		340
(The above deposits are under lien with Mumbai Port Trust)				
Leave encashment fund		16,533		13,365
Total		**18,318**		**14,598**

9 Deferred tax assets (net)

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Deferred tax assets / (liabilities)				
Deferred tax assets				
Provisions	87,477		74,648	
Others	-	87,477	-	74,648
Deferred tax liabilities				
Property Plant and Equipment	(5,904)	(5,904)	(6,821)	(6,821)
Total Deferred tax assets (net)		**81,573**		**67,827**

10 Non-current tax assets (net)

₹ in lakhs

Particulars	March 31, 2025		March 31, 2024	
Tax Assets and Liabilities				
Non Current Tax Assets		3,53,181		2,54,657
Non Current Tax Liabilites		(3,24,002)		(2,28,736)
Non-current tax assets (net)		**29,179**		**25,921**

11 Other non-current assets

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Capital advances		41,571		11,536
Other receivables - considered good	457		1,154	
Other receivables - considered doubtful	7		1,219	
Less: Allowance for doubtful receivables	(7)	457	(1,219)	1,154
Advances paid to vendors - considered doubtful	119		120	
Less: Allowance for doubtful advances	(119)	-	(120)	-
VAT / sales tax receivable		6,441		6,491
GST input tax credit		14,379		31,562
Prepaid expenses				
Others		351		133
Total		**63,199**		**50,876**

12 Inventories

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Valued at cost or net realisable value)				
Raw materials				
Material in stores	39,512		34,743	
Less: Provision for obsolescence	(597)	38,915	(346)	34,397
Stores and spares				
Material in stores	14,210		9,106	
Less: Provision for obsolescence	(173)	14,037	(282)	8,824
Equipment for specific projects				
Material in stores/site	1,61,216		3,49,209	
Less: Provision for obsolescence	-		(9,046)	
	1,61,216		3,40,163	
Stock in transit	33,089		21,236	
Materials pending inspection	7,996	2,02,301	48,253	4,09,652
Scrap		355		835
Total		**2,55,608**		**4,53,708**

Note:

(i) Inventory costing ₹ 2,143 lakhs (Previous year: ₹ 873 lakhs) is held with other vendors.

(ii) Inventory costing ₹ 44 Lakhs (Previous year: ₹ 71 Lakhs) is held at customer's store.

(iii) As on 31st March, 2026, Inventory held on behalf of Navy is ₹ 2,204 lakhs (Previous year - ₹ 3,027 lakhs) which is excluded from above inventory.

(iv) The company follows adequate provisioning policy for written down value of slow moving and non moving inventories along with provison towards net relisable value.

(v) The working capital facility is secured by hypothecation of Inventories.

13 Trade receivables - current

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
Trade receivables considered good - unsecured	2,56,387	1,06,721
Trade receivables considered doubtful - unsecured	41,705	43,426
Total	2,98,092	1,50,147
Loss allowance	(41,705)	(43,426)
Total	**2,56,387**	**1,06,721**

Ageing for trade receivables-current outstanding as at March 31, 2026 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	1,57,657	89,805	5,779	2,898	241	7	2,56,387
(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	-	-	-	-	-	-	-
Total	**1,57,657**	**89,805**	**5,779**	**2,898**	**241**	**7**	**2,56,387**

Ageing for trade receivables-current outstanding as at March 31, 2025 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	14,454	64,967	14,929	4,702	6,660	1,009	1,06,721
(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	-	-	-	-	-	-	-
Total	**14,454**	**64,967**	**14,929**	**4,702**	**6,660**	**1,009**	**1,06,721**

14 Cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Cash and cash equivalents				
Balances with banks:-				
- In current accounts				
i. In India	64,056		1,52,781	
ii. Outside India	25	64,081	66	1,52,847
- In cash credit accounts		320		2,765
- In flexi deposit accounts		61,469		2,26,927
- In fixed deposit accounts - less than 3 months		1,40,700		1,46,000
Total		**2,66,570**		**5,28,539**

MDL has availed Cash Credit facility (Sanction limit of 3500 Lakhs) from consortium banks (SBI, BOB, UBI, HDFC Bank, ICICI Bank and Axis Bank) at the interest rate as per below:.

1. State Bank of India - 1.20% above 6-Months MCLR
2. Bank of Baroda - 1 Year MCLR
3. Union Bank of India - 9.10% p.a. (1 Year MCLR + 0.35% p.a.)
4. HDFC Bank - To be decided mutually.
5. ICICI Bank - 8.95% p.a. (MCLR-6M 8.80% and Spread 0.15%).
6. Axis Bank - To be decided mutually.

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 Nil.

15 Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		10,21,200		10,86,400
Earmarked balances with banks for Unpaid Dividend		36		22
Total		**10,21,236**		**10,86,422**

Note - Fixed Deposits amounting to ₹ 95,000 Lakhs (Previous year - Nil) are liened against overdraft facility with Bank of Baroda, the overdraft utilisation is Nil as on 31st March 2026 (Previous year - Nil)

16 Other financial assets - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Interest accrued on deposits and advances		23,078		28,214
Interest accrued Income Tax refund		246		246
Interest accrued on loan		178		221
Total		**23,502**		**28,681**

17 Other current assets

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Unsecured, considered good, unless otherwise specified)				
Advances				
Advances paid to vendors	3,19,635		1,98,024	
Loss allowance	(119)	3,19,516	(120)	1,97,904
Travel advance to employees		736		106
Employee related		88		90
Others		6		14
Prepaid expenses - Others		387		8,706
Total		**3,20,733**		**2,06,820**

18 Share Capital

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Authorized share capital				
64,74,40,000 (Previous year - 64,74,40,000 equity shares of ₹ 5 each)		32,372		32,372
Total		**32,372**		**32,372**
Issued, subscribed and fully paid-up shares				
40,33,80,000 (Previous year - 40,33,80,000 equity shares of ₹ 5 each)		20,169		20,169
Total		**20,169**		**20,169**

Reconciliation of number of shares and amounts outstanding

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Equity Shares outstanding at the beginning of the year	40,33,80,000	20,169	20,16,90,000	20,169
Add : Share issued during the year	-	-	-	-
Less : Existing shares of FV of ₹ 10 each extinguished on splitting of share (Refer note 1 below)	-	-	20,16,90,000	-
Add : Equity share of FV of ₹ 5/- each issued during the year on splitting (Refer note 1 below)	-	-	40,33,80,000	-
Less : Shares bought back during the year	-	-	-	-
Equity shares outstanding at the end of the year	**40,33,80,000**	**20,169**	**40,33,80,000**	**20,169**

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2026		March 31, 2025	
	No. of shares	Percentage holding	No. of shares	Percentage holding
Shareholder	**Refer below Note**			
President of India and his nominees	32,76,18,501	81.22%	34,21,81,966	84.83%

Disclosure of shareholding of promoters as at December 31, 2026 is as follows:

Particulars	March 31, 2026		March 31, 2025		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder	**Refer below Note**				
President of India and his nominees	32,76,18,501	81.22%	34,21,81,966	84.83%	4.26%

18 Share Capital (Contd..)

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Particulars	March 31, 2025		March 31, 2024		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder					
President of India and his nominees	34,21,81,966	84.83%	17,10,90,983	84.83%	0.00%

Terms, Rights, Preferences and Restrictions attaching to each class of shares:

The Company has only one class of equity shares having par value of ₹ 5 each and is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

Sub-division & other Information

Note 1. On 27th December, 2024, the company sub-divided every 1 (one) Equity Share of the face value of ₹ 10/- each into 2 (Two) Equity Share of the Face value of ₹ 5/- each as approved by share holders on 28th November, 2024 by Postal Ballot. The record date for the share split was December 27, 2024.

Note 2. During the Q3 of FY 2024-25, as result of splitting of share of the company, every 1 (one) Equity Share of the face value of ₹ 10/- each sub divided into 2 (Two) Equity Share of the Face value of ₹ 5/- each.

Offer for Sale by Promoters: The Govt of India (being Promoter of MDL) approved and initiated on 03.04.2025 an Offer for Sale (OFS), Promoter has sold 1,45,63,465 Equity Shares representing 3.61% of the equity share capital of the Company. The OFS pertains to a sale of existing equity shares held by the promoters and does not involve issuance of new shares or any proceeds to the company.

19 Other Equity

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
General Reserve	2,31,244	2,31,244
Capital Reserve	5	5
Indigenisation Fund	1,037	1,037
Capital Redemption Reserve	12,123	12,123
Retained Earnings	6,26,220	4,60,132
Other Comprehensive Income (OCI)	(6,482)	(6,626)
Total	**8,64,147**	**6,97,915**

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

The description of the nature and purpose of reserve within equity is as follows:

Capital reserve: The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

Capital redemption reserve: These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

Other Comprehensive Income: These reserves are created on account of actuarial valuation of defined employee benefit plan.

Indigenisation Fund: These fund was created as per Indigenisation policy for providing support for future indigenisation. No provision has been made since FY 2020-21.

Final Dividend: The Board has recommended the final dividend for FY 2025-26 of ₹ 18,636.16 lakhs (i.e. ₹ 4.62 per share). This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

20 Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
i. Total outstanding dues of micro and small enterprises		-		-
ii. Total outstanding dues of creditors other than micro and small enterprises		2,413		2,263
(Deferred payment liability to a foreign supplier)				
Less: Amount payable within 12 months		(538)		(490)
Total		**1,875**		**1,773**

Ageing for trade payables-non-current outstanding as at March 31, 2026 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,875	1,875
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,875**	**1,875**

Ageing for trade payables-non-current outstanding as at March 31, 2025 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,773	1,773
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,773**	**1,773**

21 Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Security and other deposits		59		49
Total		**59**		**49**

22 Provisions - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Employee benefits				
Post retirement benefit schemes				
Medical	10,880		10,429	
Gift card	154	11,034	109	10,538
Gratuity		311		
Compensated absences		13,384		12,359
Other provisions				
Provision for liquidated damages	1,106		1,106	
Provision for Onerous Contract	1,05,959		52,138	
Others	4,207	1,11,272	2,540	55,784
Total		**1,36,001**		**78,681**

23 Other non-current liabilities

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Funds received from customer for infrastructure projects	92,761		92,761	
Less: Transferred to fixed assets for capitalisation	(73,419)		(73,419)	
Less: Amortisation of deferred revenue	(8,055)	11,287	(7,369)	11,973
Deferred deposits		4		2
Total		**11,291**		**11,975**

24 Trade payables - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Other vendors		4,13,304		3,50,653
Deferred payment liability to a foreign supplier		538		490
Total		**4,13,842**		**3,51,143**

Note - Refer note no. 41 for amount due to MSME

Ageing for trade payables-current outstanding as at March 31, 2026 is as follows: ₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	31,253	3,425	-	-	-	34,678
Others	3,86,794	27,048	-	-	-	4,13,842
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**4,18,047**	**30,473**	**-**	**-**	**-**	**4,48,520**

Ageing for trade payables-current outstanding as at March 31, 2025 is as follows: ₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	21,169	1,439	60	19	-	22,687
Others	3,45,409	5,443	109	175	7	3,51,143
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**3,66,578**	**6,882**	**169**	**194**	**7**	**3,73,830**

Supplier Finance Arrangements:

The Company participates in supplier financing arrangements through Trade Receivables Discounting System (TReDS) platforms, wherein suppliers may, at their discretion, discount their receivables with financial institutions.

Under these arrangements:

1. The Company's obligation to pay remains with the Company.
2. Payment terms with suppliers are not modified.
3. The Company does not provide any guarantee, security or credit enhancement to the financial institutions.

24 Trade payables - current (Contd..)

Terms and Conditions

The arrangements do not result in any extension of credit period beyond the original contractual terms agreed with suppliers.

1. Payments are made by the Company on the respective due dates.
2. The liability continues to be recognised as trade payable as the nature of the obligation remains unchanged

Particulars	As at 31.03.2026	As at 31.03.2025
Total payables under supplier finance arrangements		
– Due within 30 days	-	-
– Due beyond 30 days	-	-

25 Others financial liabilities - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Retention money payable		-		33
Interest payable on advances received from customer		5,786		1,972
Employee related		15,121		21,403
Others		2,099		2,100
Security and other deposits		433		399
Unclaimed dividend		36		22
Short term borrowings		-		-
Total		**23,475**		**25,929**

26 Other current liabilities

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Statutory dues		3,762		3,049
Deferred deposits		3		3
Total		**3,765**		**3,052**

27 Provisions - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Employee benefits				
Post retirement benefit				
Medical	1,018		1,133	
Gift card	22	1,040	32	1,165
Compensated absences		2,861		1,192
Gratuity		955		188
Other provisions				
Guarantee repairs		19,360		27,478
Total		**24,216**		**30,023**

28 Revenue from operations

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Contract revenue				
Ship construction		8,30,819		8,38,543
Offshore project		1,62,774		1,00,964
Sale of goods				
Sale of Stock-in-Trade		1,77,459		1,22,816
Others		6,649		2,577
Sale of Services				
Ship Repair		1,03,201		54,704
Other operating revenue				
Sale of scrap and stores	1,374		1,201	
Sale of services (others)	2,168		2,548	
Reversal of Liquidated damages	-		19,937	
Changes in Inventory of Scrap	(480)	3,062	(102)	23,584
Total		**12,83,964**		**11,43,188**

Contract Revenue Recognition with Respect to Projects / Vessels in WIP:

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
The amount of contract revenue recognised as revenue for the period		12,80,902		11,19,604
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		8,44,015		8,91,285
The amount of advances received (gross)		18,42,712		23,80,252
The amount of retentions by customers		35,680		29,009

1. The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
2. Revenue from operations includes revenue from Export of goods/services is Rs. 2759 Lakhs that is 0.21% of Revenue from operation.

29 Other Income

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Interest from				
Deposits with banks	1,00,666		1,00,814	
On income tax refund	16		-	
Other interest	1,754	1,02,436	1,737	1,02,551
Dividend from Goa Shipyard Ltd.		550		4,754
Liabilities / provisions no longer required written back		3,320		3,467
Insurance claims		24		-
Profit on Sale / scrapping of fixed assets (net)		202		79
Liquidated damages recovered				
Capital		88		121
Others		5,904		2,632
Miscellaneous income / recoveries		529		1,132
Amortisation gain on deferred deposits of vendors		1		6
Unwinding of lease charges - Land		1		-
Unwinding of lease charges - Vehicles		33		55
Amortisation of deferred revenue (customer funded assets)		687		687
Interest Income on deferred payment liability to foreign supplier		450		427
Foreign exchange variation (net)		50		-
Total		**1,14,275**		**1,15,911**

30 Cost of materials consumed

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Opening stock				
Raw materials, stores and spares	43,849		11,664	
Equipment for specific projects	3,49,209		4,91,042	
Stock-in-transit and materials pending inspection	69,489	4,62,547	69,156	5,71,862
Add: Purchases		3,59,931		3,47,061
		8,22,478		9,18,923
Less: Closing stock				
Raw materials, stores and spares	(53,722)		(43,849)	
Equipment for specific projects	(1,61,216)		(3,49,209)	
Stock-in-transit and materials pending inspection	(41,085)	(2,56,023)	(69,489)	(4,62,547)
		5,66,455		4,56,376
Less: Provision for obsolete stock		(142)		(295)
Less: Stores and spares consumption included in other expenses		(2,512)		(3,015)
Total		**5,63,801**		**4,53,066**

31 Employee benefit expenses

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Salaries, wages, allowances and bonus		71,288		73,025
Pension		3,058		5,574
Contribution to provident fund		4,419		4,347
Workmen and staff welfare expenses		9,566		9,795
Gratuity		2,662		1,286
Encashment of Compensated absences		2,658		3,848
Total		**93,651**		**97,875**

32 Finance cost

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Interest cost on deferred deposits of vendors		1		6
Interest cost on deferred payment liability to foreign supplier		450		427
Interest cost on customer advances (Refer below Note)		5,273		1,967
Interest cost on lease		4		7
Interest cost on OD against FD		186		-
Total		**5,914**		**2,407**

Note:

This represents interest earned on customer advances and subsequently transferred to customer

33 Other expenses

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Repairs and maintenance:				
Buildings	1,102		1,371	
Plant and machinery	674		640	
Steam launches and boats, motor cars, lorries, etc.	1,355		888	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(88)	3,043	(286)	2,613
Power and fuel	2,075		1,965	
Technicians fees and other expenses	878		2,737	
Advising team fees and other expenses	388		490	
Facility hire	3,612		6,175	
Barges expenses	43,685		13,124	
Water expenses	331		314	
Rent	328		312	
Insurance	1,117		1,458	
Rates and taxes	1,605		1,370	
Bank charges and guarantee commission	212		366	
Printing and stationery	75		21	
Travelling expenses	3,044		1,467	

33 Other expenses (Contd..)

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Business promotion expenses	631		1,147	
Sea trial, launching and commissioning expenses	705		1,459	
Corporate membership expenses	85		91	
Foreign exchange variation (net)	-		127	
Bad Debt	-		1,450	
Miscellaneous expenses	3,031		5,551	
Pre-Contract expenses	9,946		3,680	
Auditors remuneration (Refer Note No. 42)	30		28	
Vehicle hire charges	32		85	
Legal, professional and consultant fees	15,778		1,739	
Books and periodicals	9		11	
Postage, telegrams and phones	123		240	
Training expenses	550		853	
CISF and security board expenses	3,426		3,277	
Directors fees and expenses	40		45	
Provision for obsolete stock	142		295	
Liquidated damages	-		5,704	
Consumption of stores and spares etc.	2,512		3,015	
Corporate social responsibility expenses (Refer Note No. 51)	4,681	99,071	3,095	61,691
Total		**1,02,114**		**64,304**

Foreign Exchange loss for the period ended 31st March, 2026 is ₹ 894 lakhs and foreign exchange gain for previous year is ₹ 1508 lakhs on raw materials and project specific equipments has been considered in cost of material consumed.

Revenue Expenditure on Research and Development and allied expenses aggregating to ₹ 18594 lakhs (Previous year - ₹ 11429 lakhs) is reflected under respective various heads in the above note.

34 Provisions

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Doubtful debts / receivable		(2,948)		(2,859)
Guarantee repairs		(8,086)		13,109
Onerous Contracts		53,821		52,138
Inventory		(9,046)		9,046
Others		1,806		308
Total		**35,547**		**71,742**

35 Business Segment Reporting

a) The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.

b) For management purposes, the Company is organized into two major segments – Shipbuilding and Submarine (New Construction and Repairs) and others.

c) There are no geographical segments within the business segments.

36 Contingent Assets, Contingent Liabilities and Commitments:

36.1 Amounts for which Company may be contingently liable:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
A.	**Contingent Assets**	-	-
B.	**Contingent Liabilities and Commitments**		
(i)	Estimated amount of contracts remaining to be executed on capital account.(Net of Advances)*	53,936	1,39,241
(ii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	60,097	74,205
	(b) Guarantees and counter guarantees	1,22,116	97,090
(iii)	Indemnity Bonds issued by the Company to customers (mainly Ministry of Defence) for various contracts.	24,73,195	34,87,506
(iv)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

36.2 Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
(i)	Suppliers and sub-contractors	22,694	1,432
(ii)	Others	5,230	5,217
(iii)	Interest on (i) and (ii) above	568	495
	Total	**28,492**	**7,144**

36.3 Amounts paid / payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
(i)	Sales Tax *	1,16,057	1,16,075
(ii)	GST	5	5
(iii)	Excise Duty (including interest and penalties)		
	(a) On Vendors	230	230
	(b) On MDL	35	35
		265	**265**
	Total (i) + (ii)	**1,16,327**	**1,16,345**

* The above claim is after deduction of part payments of ₹ 659.55 lakhs made till 31.03.2026.

36.4 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
(i)	Service Tax (including interest and penalties)	4,722	4,713
	Total	**4,722**	**4,713**

* Appeal against disputed tax demand is settled.

36.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Custom Duty (Including Interest)	85	141

37.1 Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. But confirmation letters from all vendors are not received. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

37.2 Balances due to / from Indian Navy (Debtors) included in current assets / current liabilities/advances are subject to reconciliation and confirmation. Consequent adjustments thereof,if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

38 Normal Operating Cycle

The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

a) In case of Ship / Submarine Building and Ship / Submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract / Letter of Intent (LOI) to the date of expiry of guarantee period.

b) In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.

39 Employee Benefits as per Ind AS 19

39.1 Various benefits provided to employees are classified as under:-

(I) Defined Contribution Plans

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
(a) State Defined Contribution Plans		
(i) Employers' Contribution to Employees' State Insurance		
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.		
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.		
During the year, the Company has recognized the following amounts in the Profit and Loss Account:-		
1. Employers' Contribution to Provident Fund	4,365	4,347
2. Employers' Contribution to Employees' State Insurance	-	-
3. Employers' Contribution to EPS (Employees' Pension Scheme)	3,058	5,574
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	53	56

Retirement benefits in the form of Pension is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the respective fund is due. There are no obligations other than the contribution payable to the respective funds.

(II) Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)	31st March, 2026	31st March, 2025
Actuarial valuation was performed by an actuary in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.36%	6.81%
2 Rate of increase in compensation levels	7.00%	7.00%

Gratuity liability is a defined benefit obligation as at end of each financial year and is provided for basis an actuarial valuation using projected unit credit method made at the end of each financial year. The Gratuity Fund is invested in a Group Gratuity-Cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Opening Balance	14,550	15,060
Add : Credit from Company	2,395	899
Add: Asset Transferred In/Acquisitions	39	-
Less : Amount paid towards claims	(1,533)	(2,439)
Add : Interest credited	991	1,030
Add: Return on Plan Assets, Excluding Interest Income	99	-
Closing Balance	16,541	14,550
Present value of past service benefit	16,169	14,738

39.2 Actuarial valuation of liability towards Gratuity

Defined Benefit Plans Gratuity - as per actuarial valuation

The Ind AS-19 Employee Benefits stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on Government Bonds. The currency and term of the Government Bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used. ₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
A	**Permanent Employees**		
i)	**Assumptions**		
	a) Discount Rate	7.36%	6.81%
	b) Salary Escalation	7.00%	7.00%
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	7.00%
	d) Expected average remaining working lives of employees (years)	12	13
ii)	**Table showing changes in present value of obligations**		
	Present value of obligations as at beginning of year	14,738	15,130
	Interest cost	1,070	990
	Current service cost	609	747
	Past service cost	1,287	-
	Liability Transferred In/ Acquisitions	39	-
	Benefits paid	(1,533)	(2,439)
	Actuarial (gain) / loss on obligations	(41)	309
	Present value of obligations as at end of year	16,169	14,738
iii)	**Table showing changes in the fair value of plan assets**		
	Fair value of plan assets at beginning of year	14,550	15,060
	Return on plan assets	99	1,089
	Contributions	2,395	899
	Benefits paid	(1,533)	(2,439)
	Interest Income	991	-
	Assets Transferred In/Acquisitions	39	-

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
	Actuarial gain / (loss) on plan assets	-	(59)
	Fair value of plan assets at the end of year	16,541	14,550
iv)	**Table showing fair value of plan assets**		
	Fair value of plan assets at beginning of year	14,550	15,060
	Actual return on plan assets	99	1,089
	Contributions	2,395	899
	Benefits paid	(1,533)	(2,439)
	Fair value of plan assets at the end of year	16,541	14,550
	Funded status (Deficit)/Surplus	372	(188)
	Excess of Actual over estimated return on plan assets	-	-
v)	**Actuarial gain / loss recognized**		
	Actuarial (gain) / loss for the year - obligation	(41)	368
	Actuarial (gain) / loss for the year - plan assets	(99)	-
	Total (gain) / loss for the year	(140)	368
	Actuarial (gain) / loss recognised in the year	(140)	368
	Un-recognised actuarial (gains) / losses at the end of year	-	-
vi)	**The amounts to be recognized in the Balance Sheet**		
	Present value of obligations as at the end of year	16,169	14,738
	Fair value of plan assets as at the end of the year	16,541	14,550
	Funded status	372	(188)
	Net Asset / (Liability) recognized in balance sheet	372	(188)
vii)	**Expenses recognized in Statement of Profit and Loss**		
	Current service cost	609	747
	Past service cost	1,287	-
	Interest cost	79	(99)
	Expected return on plan assets	-	-
	Expenses recognized in Statement of Profit and Loss	1,975	648
viii)	**Expenses recognized in Other Comprehensive Income**		
	Actuarial (gain) / loss recognised in the year	(140)	368
ix)	**Current/Non-Current Liability**		
	Current Liability	(372)	1,929
	Non-Current Liability	-	12,809
	Present Value of the Defined Gratuity Benefit Obligation	16,169	14,738

Sensitivity of Gratuity Benefit Liability to key Assumptions

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

Impact on Defined Benefit Obligation

₹ in lakhs

Particulars	31st March, 2026		31st March, 2025	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 6.86%)	689		643	
(Previous year - 6.31%)	4.26%		4.36%	
if Discount rate is increased to 7.86%)		642		598
(Previous year - 7.31%)		3.97%		4.06%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.50%)	385		349	
(Previous year - 7.50%)	2.38%		2.37%	
if Discount rate is decreased to 6.50%)		380		339
(Previous year - 6.50%)		2.35%		2.30%

Maturity Analysis of the Benefit Payments Projected Benefits Payable in Future Years From the Date of Reporting	31st March, 2026	31st March, 2025
1st Following Year	1,667	1,929
2nd Following Year	1,176	1,511
3rd Following Year	1,235	1,259
4th Following Year	1,151	1,049
5th Following Year	1,026	850
Sum of Years 6 To 10	5,978	4,723
Sum of Years 11 and above	22,004	18,603

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
B	**Fixed Term Employees**		
i)	**Assumptions**		
	a) Discount Rate	5.72%	-
	b) Salary Escalation	7.00%	-
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	-
	d) Expected average remaining working lives of employees (years)	1	-
ii)	**Table showing changes in present value of obligations**		
	Present value of obligations as at beginning of year	-	-
	Interest cost	33	-
	Current service cost	91	-
	Past service cost	1,744	-
	Liability Transferred In/ Acquisitions	-	-
	Benefits paid	(177)	-

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
	Actuarial (gain) / loss on obligations	(53)	-
	Present value of obligations as at end of year	1,638	-
iii)	**Expenses recognized in Statement of Profit and Loss**		
	Current service cost	91.00	-
	Past service cost	1,744	-
	Interest cost	33	-
	Expected return on plan assets	-	-
	Expenses recognized in Statement of Profit and Loss	1,868	-
iv)	**Expenses recognized in Other Comprehensive Income**		
	Actuarial (gain) / loss recognised in the year	(53)	-
v)	**The amounts to be recognized in the Balance Sheet**		
	Expenses recognized in Statement of Profit and Loss	1,868	-
	Expenses recognized in Other Comprehensive Income	(53)	-
	Benefit Paid	(177)	-
	Net Asset / (Liability) recognized in balance sheet	1,638	-
vi)	**Current/Non-Current Liability**		
	Current Liability	1,327	-
	Non-Current Liability	311	-
	Present Value of the Defined Gratuity Benefit Obligation	1,638	-

Sensitivity of Gratuity Benefit Liability to key Assumptions

₹ in lakhs

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

Impact on Defined Benefit Obligation	31st March, 2026	31st March, 2025
Defined Benefit Obligation on Current Assumptions	1,638	-
Delta Effect of +1% Change in Rate of Discounting	(3)	-
Delta Effect of -1% Change in Rate of Discounting	3	-
Delta Effect of +1% Change in Rate of Salary Increase	3	-
Delta Effect of -1% Change in Rate of Salary Increase	(3)	-
Delta Effect of +1% Change in Rate of Employee Turnover	(0)	-
Delta Effect of -1% Change in Rate of Employee Turnover	0	-

Maturity Analysis of the Benefit Payments Projected Benefits Payable in Future Years From the Date of Reporting	31st March, 2026	31st March, 2025
1st Following Year	1,327	-
2nd Following Year	308	-
3rd Following Year	20	-
4th Following Year	3	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

39.3 Actuarial valuation of liability towards Leave Encashment

Defined Benefit Plan Leave Encashment as per actuarial valuation

The Ind AS-19 Employee Benefits stipulates that the rate used to discount Post Employment Benefit Obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on Government bonds. The currency and term of the Government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used. ₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
i)	**Assumptions**		
	Discount rate	7.36%	6.81%
	Rate of increase in compensation levels	7.00%	7.00%
	Expected average remaining working lives of employees (years)	7	13
ii)	**Table showing changes in present value of obligations**		
	Present value of obligation as at the beginning of the year	13,551	12,567
	Interest cost	923	848
	Current service cost	680	949
	Past service cost - Vested Benefit	2,137	-
	Benefits paid	(615)	(1,237)
	Actuarial (gain) / loss on obligations	(430)	423
	Present value of obligation as at the end of the year	16,245	13,551
iii)	**Table showing changes in the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	13,365	12,603
	Expected return on plan assets	163	911
	Interest Income	910	-
	Contributions	2,571	1,027
	Benefits paid	(615)	(1,237)
	Actuarial gain / (loss) on plan assets	-	61
	Fair value of plan assets at the end of the year	16,394	13,365
iv)	**Tables showing fair value of plan assets**		
	Fair value of plan asset at the beginning of the year	13,365	12,603
	Actual return on plan assets	163	911
	Contributions / (withdrawals)	2,571	1,027
	Benefits paid	(615)	(1,237)
	Actuarial gain / (loss) on plan assets	-	61
	Fair value of plan asset at the end of the year	16,394	13,365
	Funded Status ((Surplus) / Deficit)	(149)	186
v)	**Actuarial gain / loss recognized**		
	Actuarial (gain) / loss for the year - obligation	(430)	423
	Actuarial (gain) / loss for the year - plan assets	(163)	-
	Total (gain) / loss for the year	(593)	423
	Actuarial (gain) / loss recognised in the year	(593)	423
	Un-recognised actuarial (gains) / losses at the end of year	-	-

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

Sr No.	Particulars	31st March, 2026	31st March, 2025
vi)	**The amounts to be recognized in the Balance Sheet**		
	Present value of obligation as at the end of the year	16,245	13,551
	Fair value of plan assets as at end of the year	16,394	13,365
	Funded status	149	(186)
	Unrecognized actuarial (gains) / losses	-	-
	Net asset / (liability) recognized in balance sheet	149	(186)
vii)	**Expenses recognized in Statement of Profit and Loss**		
	Current service cost	680	949
	Past service cost	2,137	-
	Net Interest cost	13	(63)
	Actuarial (gain) / loss recognised in the year	(593)	362
	Expenses recognized in the Statement of Profit and Loss	2,236	1,248
viii)	**Current/Non-current Liability**		
	Current Liability	(149)	1,192
	Non-current Liability	16,394	12,359
	Present Value of the Defined Leave Encashment Benefit Obligation	16,245	13,551

Sensitivity of Leave Encashment Benefit Liability to key assumptions

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

Impact on Defined Benefit Obligation ₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 6.86%)	644		660	
(Previous year - 6.31%)	3.98%		4.87%	
if Discount rate is increased to 7.86%)		599		612
(Previous year - 7.31%)		3.71%		4.52%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.50%)	643		656	
(Previous year - 7.50%)	3.98%		4.84%	
if Discount rate is decreased to 6.50%)		604		614
(Previous year - 6.50%)		3.74%		4.53%

39.4 Actuarial valuation of liability towards Provident Fund

Defined Benefit Plan Provident Fund as per actuarial valuation

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the Provident Fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by Company and the shortfall of interest, if any are recognised as an expense in the statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the Guaranteed interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Note 39 - Employee Benefits as per Ind AS 19 (Contd..)

The details of fund and plan assets are given below: ₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Fair value of plan assets	81,599	78,112
Present value of defined benefit obligations	(81,599)	(78,112)
Shortfall	-	-

The plan assets have been primarily invested in Government, Public Sector and Corporate Bonds.

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	31st March, 2026	31st March, 2025
Provident Fund interest rate guarantee	8.25%	8.25%
Salary increase rate	7%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	7.36	6.81%
Expected average remaining working lives of employees (years)	12	13

40 Provisions made, utilised, written back :

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
a)	**Provision for Custom Duty Demand:**		
	Opening Balance	-	426
	Additions	-	-
	Utilised/Adjusted	-	(426)
	Closing Balance	**-**	**-**
b)	**Provision for Liquidated Damages:**		
	Opening Balance	1,106	18,983
	Additions	-	-
	Adjusted	-	(17,877)
	Closing Balance	**1,106**	**1,106**
c)	**Provision for Guarantee Repairs:**		
	Opening Balance	27,478	14,389
	Additions	10,000	14,118
	Utilised/Adjusted	(18,118)	(1,029)
	Closing Balance	**19,360**	**27,478**
d)	**Provision for Expected Losses**		
	Opening Balance	52,138	-
	Additions	63,425	52,138
	Utilised/Adjusted	(9,604)	-
	Closing Balance	**1,05,959**	**52,138**
e)	**Other Provisions:**		
	Opening Balance	**2,899**	**2,632**
	Additions	**9,230**	**12,504**
	Utilised/Adjusted	**(7,564)**	**(12,237)**
	Closing Balance	**4,565**	**2,899**

41 Details of dues to Micro and Small, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2026 based on available information with the Company are as under:

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
The princpal amount and the interest due there on remaining unpaid to any supplier as at the end of the year		
- Principal	1,038	1,794
- Interest	-	-
The amount of interest paid by the buyer in term of section 16 of the Micro, small, Medium Enterprise Development Act, 2006	-	-
The amount of interest due and Payable for the period of Delay in making Payment (which have been paid but beyond the appionted day during the year) but without adding the interest specified under MSMED Act, 2006	24	32
Amount of payment Made to the supplier beyond the Appointed day during the year	210	1,086
The amount of interes accured and remaining unpaid at the end of each accounting year	24	32
The Amount of further interest remainig due an 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 MSMED ACT, 2006.	56	32

42 Other Expenses include:

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Remuneration to the Statutory Auditors		
i) Audit fees	28	26
ii) Tax audit fees	2	2
Total	**30**	**28**

43 Russian (USSR) deferred State Credit

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the Company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 16,320 Lakhs, payable over 45 years from 1992-93, in equal annual installments of ₽ 214 Lakhs was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 538 Lakhs (Previous year - ₹ 490 Lakhs). The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2026. These payments are reimbursable by Indian Navy. Accordingly, ₹ 5,916 Lakhs (amortised costs of ₹ 2413 Lakhs) held at foreign supplier deferred credit as on 31.03.2026

44 Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under section 129 of the Companies Act, 2013 has not been disclosed in the financial statements.

i) Goods purchased under broad heads

ii) Value of import on CIF basis

iii) Expenditure on foreign currency

iv) Total value of imported raw material

v) Earning in foreign currency

45 Related Party Disclosure

As MDL is a Government entity under the control of Ministry of Defence (MoD), the Company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with Government and Government related entities

i) Key Managerial Personnel

a) Functional Directors & Company Secretary

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2026		
			Short term employee benefits*	Post employment benefits**	Total*
Capt. Jagmohan	(From 21.04.2025)	Chairman & Managing Director	70	9	79
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	93	14	107
Cdr.Vasudev Puranik, IN (Retd.)	(From 09.06.2022)	Director (Corporate Planning & Personnel)	102	16	118
Shri Shailesh Bhalachandra Jamgaonkar	(From 25.03.2025)	Director (Submarine & Heavy Engineering)	65	8	73
Shri Ruchir Agrawal	(From 07.03.2025)	Director (Finance)	71	8	79
Shri Lalatendu Acharya	(From 01.06.2025)	Company Secretary	19	3	22
Smt. Madhavi Kulkarni	(Upto 31.05.2025)	Company Secretary	4	1	5
Shri Sanjeev Singhal (Retd.)	(Upto 28.02.2025)	Director (Finance)	27	6	33
Cdr. Jasbir Singh, IN (Retd.)	(Upto 31.10.2024)	Director (Submarine & Heavy Engineering)	-	7	7

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2025		
			Short term employee benefits*	Post employment benefits**	Total*
Cdr. Jasbir Singh, IN (Retd.)	(Upto 31.10.2024)	Director (Submarine & Heavy Engineering)	31	4	35
Shri Sanjeev Singhal (Retd.)	(Upto 28.02.2025)	Director (Finance)	135	8	143
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	76	6	82
Cdr.Vasudev Puranik, IN (Retd.)	(From 09.06.2022)	Director (Corporate Planning & Personnel)	87	7	94
Smt. Madhavi Kulkarni	(From 01.12.2023)	Company Secretary	30	3	33
Shri Shailesh Bhalachandra Jamgaonkar	(From 25.03.2025)	Director (Submarine & Heavy Engineering)	1	-	1
Shri Ruchir Agrawal	(From 07.03.2025)	Director (Finance)	3	-	3

*Short term employee benefit include Income under section 17(1) and 17(2)

** Post employment benefit includes Company Contribution Towards PF & Pension.

Note- PRP amount has been paid in Jan. '26 to Shri Sanjeev Singhal & pension arrears (3% differential) have been transferred to Trust.

45 Related Party Disclosure (Contd..)

b) PART TIME NON-OFFICIAL DIRECTORS

₹ in lakhs

Particulars	Appointment	Designation	Sitting Fees	
			31st March, 2026	31st March, 2025
Shri. Dattaprasad Prabhakar Kholkar	(From 23.02.2023)	Independent Director	7	8
Shri. Chandu Sambasiva Rao	(From 22.02.2024)	Independent Director	5	5
Dr. Vivek Atul Bhuskute	(From 21.04.2025)	Independent Director	4	-
Shri. Kedar Nath Gupta	(From 21.05.2025)	Independent Director	4	-
Smt. Veni Thapar	(From 21.04.2025)	Independent Director	5	-
Shri. Mallikarjunarao Bhyrishetty	(Upto 23.12.2024)	Independent Director	-	8
Smt. Neeru Singh Jagjeet Kaur	(Upto 23.02.2023)	Independent Director	-	6

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person are Nil (Previous Year: Nil)

ii) Government related entities where significant transactions carried out

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

a) Ministry of Defence

₹ in lakhs

Particulars	Year ended	Revenue from related party	Amounts receivable /(payable) by related parties	Dividend paid/ payable
Ministry of Defence	31st March,2026	11,07,722	2,86,546	62,936
	31st March,2025	10,31,535	1,47,832	60,395

iii) Details of Subsidiary Company/Associate Entities and their Subsidiaries:

a) Goa Shipyard Ltd. (Associate Company)

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.****	31st March,2026	550
	31st March,2025	4,754

****Other transaction includes rent, sales & amount receivable are not signficant in nature.

These transactions are conducted in the ordinary course of the company business.

b) Colombo Dockyard PLC (Subsidiary)

Particulars	Year ended	Dividend
Colombo Dockyard PLC	31st March,2026	-
	31st March,2025	-

c) Step Down Subsidiaries

1. Dockyard General Engineering Services (Pvt) Ltd
2. Ceylon Shipping Agency (Pte) Ltd
3. Dockyard Total Solutions (Pvt) Ltd.

46 Earnings per share (EPS)

₹ in lakhs

	Particulars	31st March, 2026	31st March, 2025
	Earning Per Share (EPS) - Basic and Diluted		
	Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	2,43,577	2,32,488
	Adjustment to Restated Net Profit / (Loss):		
	None		
A	Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)	2,43,577	2,32,488
B	Weighted average number of equity shares for calculating basic EPS	40,33,80,000	40,33,80,000
C	**EPS (₹) - Basic (A/B)**	**60.38**	**57.63**
D	Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)	2,43,577	2,32,488
	Weighted average number of equity shares	40,33,80,000	40,33,80,000
	Effect of dilution:	-	-
E	Weighted average number of equity shares for calculating diluted EPS	40,33,80,000	40,33,80,000
F	**EPS (₹) - Diluted (D/E)**	**60.38**	**57.63**

Note 47
Statement of Income tax expense and accounting

(₹ in lakhs)

	Particulars	31st March, 2026	31st March, 2025
A	**Profit Before Tax as per Statement of Profit & Loss**	**3,25,048**	**3,10,920**
B	Tax at statutory rate (%)	25.168%	25.168%
C	Tax expenses at statutory rate	81,808	78,252
	Prior year tax	-	-
		81,808	**78,252**
	Adjustment for permanent difference		
1	Expenses disallowed/Income allowed	4,710	3,126
2	Income exempt under Income Tax Act	(88)	(121)
3	Others	(2,997)	(3,057)
D	**Total Permanent Difference**	**1,625**	**(52)**
	Adjustment for timing difference		
1	Difference between book depreciation and income tax depreciation	2,486	4,483
2	Provision for anticipated losses and gains	55,240	48,299
3	Disallowances under Sec 43B	678	1,549
4	Others	(6,556)	(22,757)
E	**Total timing difference**	**51,848**	**31,574**
F	**Net Adjustments**	**53,473**	**31,522**
G=F*B	Tax expesnes/(Savings) thereon	**13,458**	**7,934**
H	Current Tax (C+G)	95,266	86,186
	Current Tax as per Books	95,266	86,186
I	Deferred Tax charge /(Credit)	(13,746)	(7,847)
J	Short (excess provision for earlier year)		-
K	**Total Tax expesnes (H+I+J)**	**81,520**	**78,339**

48 Fair Value Measurement

Financial Instruments by Category ₹ in lakhs

Particulars	31st March, 2026			31st March, 2025		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Loan			2,000			2000
Security Deposits	-	-	469	-	-	461
Russian Deferred Debit	-	-	2,413	-	-	2263
Financial Liabilities						
Russian Deferred Credit	-	-	2,413	-	-	2263
Security Deposits	-	-	59	-	-	49

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Financial assets and liabilities measured at amortised cost ₹ in lakhs

Particulars	Fair value Hierarchy	31st March, 2026		31st March, 2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Loan	Level 3	2000	2000	2000	2000
Security deposits	Level 3	469	469	461	461
Russian Deferred Debit	Level 3	5,916	2,413	5880	2,263
Financial liabilities					
Russian Deferred Credit	Level 3	5916	2,413	5880	2,263
Security Deposits	Level 3	65	59	54	49

49 Financial risk management

a) Credit Risk

Credit Risk is the risk that counterparty 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) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade Receivables and contract asset

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (being department of Govt. of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investemtnt of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public / private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

b) Liquidity Risk

Liquidity risk is 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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

The Company considers supplier finance arrangements as part of its trade payables and manages the same within its overall liquidity risk management framework.

As at 31 March 2026, the Company does not expect any additional liquidity risk arising from such arrangements.

c) Market Risk

i) Foreign currency risk and sensitivity

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 is exposed to foreign currency risk since it imports components from foriegn vendors. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). In most of the Contracts, the gains / losses from forex exchange fluctuations are passed on / borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.

ii) Foreign Currency Risk Exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

49 Financial risk management (Contd..)

₹ in lakhs

Particulars	EUR	GBP	NOK	SEK	USD
Financial Liabilities					
31st March 2026	22,163	78	-	-	60,827
31st March 2025	20,319	115	-	-	30,948

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 Profit Before Tax	
		31st March, 2026	31st March, 2025
EUR Sensitivity*			
	INR/EUR increases by 5%	1,108	1,016
	INR/EUR decreases by 5%	(1,108)	(1,016)
GBP Sensitivity*			
	INR/GBP increases by 5%	4	6
	INR/GBP decreases by 5%	(4)	(6)
USD Sensitivity*			
	INR/USD increases by 5%	3,041	1,547
	INR/USD decreases by 5%	(3,041)	(1,547)

* Holding all other variables constant

50 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

51 Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the period is detailed as follows:

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2025-26	2024-25
Clause (i)	Eradicating hunger, poverty and malnutrition,promoting health care, sanitation and making available safe drinking water.	3,133	2,191
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	719	628
Clause (iv)	Ensuring environmental sustainability, ecological balance, protection of flauro & Fauna, animal welfare, agro forestry, conservation of natural resources, maintaing quality of soil, air and water including constribution to the Clean Ganga Fund set by Central Government for rejuvenation of river Ganga	75	-
Clause (v)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public liabraries, promotion and development of traditional arts and handicrafts	200	50
Clause (viii)	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes,other backward classes,minorities and women;	75	-
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	251	293
	Total	**4,453**	**3,162**

₹ in lakhs

Particulars	2025-26	2024-25
Unspent amount brought forward	-	215
Amount required to be spent by the Company during the period	4,528	3,051
Amount spent during the period (incl. Administration Expenses)	4,681	3,310

CSR Liability Movement Statement As on 31.03.2026

Particulars	₹ in lakhs
Amount b/f from previous year/s	-
Amount Spent on CSR Expenses during the FY 2025-26	3,576
Unspent amount c/f to next year	1,105

₹ in lakhs

Amount Unspent					
Total Amount spent for the year	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,681	1,105	23/04/2026 - ₹938 28/04/2026 - ₹167	-	-	-

52 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.

53 Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-25	-	-	-	-
Sep-25	-	-	-	-
Dec-25	-	-	-	-
Mar-26	-	-	-	-

MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.

54 Disclosure of Relationship with Struck off Companies is as under

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31st March, 2026	31st March, 2025	
SHINE INDUSTRIES	Vendor	(3)	(3)	-
MACHINE TOOLS PROTO TYPE FACTORY	Vendor	186	186	-
THANE HEALTH CARE HOSPITAL	Vendor	(2)	(9)	-
BEST AND CROMPTON ENGG LTD	Vendor	-	(4)	-
NILKAMAL BITO STORAGE SYSTEMS	Vendor	0.03	0.03	-
QUANTEL ELECTRONICS (INDIA) PRIVATE	Vendor	(1)	(1)	-

Details of Struck-off investors holding equity shares in the Company

₹ in lakhs

Name of the Struck off Company	March 31, 2026		March 31, 2025	
	No. of Shares held	Paid up share capital (₹)	No. of Shares held	Paid up share capital (₹)
JAYCEE SECURITIES PVT LTD	10	50	10	50
KOTECHA ASSETIC HEIGHTS LIMITED	40	200	-	-
CHITRAPURI MERCHANTS PVT LTD	90	450	-	-
ACVC FOREX PRIVATE LIMITED	10	50	-	-
J M C SECURITIES PVT LTD	500	2,500	-	-
STRATEGIC EXIM PVT. LTD.	4	20	-	-
H P INVESTMENTS PVT LIMITED	215	1,075	360	1,800
COASTAL INDUSTRIAL FINANCE LTD	53	265	-	-
OPUS SOFTTECH SOLUTIONS PRIVATE LIMITED	2,000	10,000	2,000	10,000
PARADIGAM FOODS & BIO-TECH PRIVATE LIMITED	200	1,000	200	1,000
CONCHEM CONSTRUCTION PRIVATE LIMITED	15	75	-	-
CHRONICLE CORPORATE MENTORS PRIVATE LIMITED	75	375	80	400

54 Disclosure of Relationship with Struck off Companies is as under (Contd..)

Name of the Struck off Company	March 31, 2026		March 31, 2025	
	No. of Shares held	Paid up share capital (₹)	No. of Shares held	Paid up share capital (₹)
A C MODERN BUILDERS PVT LTD	155	775	155	775
SILK ROUTE ESTATE PRIVATE LIMITED	1,050	5,250	-	-
RENUKA REALTECH PRIVATE LIMITED	300	1,500	-	-
GENNEX CONSULTANTS PRIVATE LIMITED	6	30	-	-
SAICAD SYSTEMS INDIA PRIVATE LIMITED	400	2,000	400	2,000
INDIA SPINTEX LIMITED	6,600	33,000	7,000	35,000
PRAKASH SECURITIES PVT LTD	2,000	10,000	-	-

Note: The Company does not have any relationship with the above mentioned struck-off companies

55. Key Financial Ratios: Standalone

Sr No.	Particulars	Numerator	Denominator	Year Ended March 31, 2026	Year Ended March 31, 2025	% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
a.	Debt - Equity Ratio (in times)	The company does not have any debt hence, these ratios are not applicable.					
b.	Debt Service Coverage Ratio (in times)						
c.	Current Ratio (in times)	Current Assets	Current Liabilities	1.42	1.25	14.02%	-
d.	Trade Receivables turnover Ratio (in times)	Revenue from Operation	Average Account Receivables	7.00	7.75	-9.67%	-
e.	Inventory Turnover Ratio (in times)	Cost of materials consumed	Average Inventory	1.59	0.88	79.83%	Change due to increase in consumption of Inventory towards Shipbuilding projects
f.	Net profit margin (%)	Profit for the year (PAT)	Revenue from operations	18.97%	20.34%	-6.72%	-
g.	Return on Equity Ratio (%)	Profit after tax (PAT)	Average Shareholder's Equity / Net Worth	30.40%	36.46%	-16.63%	-
h.	Trade Payables Turnover Ratio (in times)	Cost of materials consumed	Average Trade Payables	1.37	1.10	23.59%	-

55. Key Financial Ratios: Standalone (Contd..)

Sr No.	Particulars	Numerator	Denominator	Year Ended March 31, 2026	Year Ended March 31, 2025	% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
i.	Net Capital Turnover Ratio (in times)	Revenue from Operation	Average Working Capital	2.26	2.84	-20.20%	-
j.	Return on Capital Employed (%)	Earnings Before Interest and Tax (EBIT)	Capital Employed	37.43%	43.63%	-14.23%	-
k.	Return on Investment (%)	Income from long term investments (Dividend)	Investments in Equity Instruments	2.26%	792.33%	-99.71%	Change due to Investment made in CDPLC of Rs. 237 cr in current year and decrease by Rs. 42 cr in dividend by GSL

56 National Institute For R&D in Defence Ship Building (NIRDESH) was established on 20th November, 2010 as a society with objective of conducting research in defence ship building and related areas. Currently, the members of NIRDESH include four PSU shipbuilding companies (MDL, GRSE, GSL & HSL) and co-opted members of Indian Navy, Coast Guard and DRDO. The society is headed by CMD, MDL and Director (Shipbuilding) MDL is designated as Director (NIRDESH). The total capital contribution paid by MDL is ₹ 1,781.71 Lakhs and 2,097.79 Lakhs is contribution payable to NIRDESH as on 31-03-2026, which is reflected under head Trade Payable. The total amount of ₹ 3,879.51 Lakhs has already been charged to expenditure in earlier years. During FY 2024-25 NIRDESH has initiated three (3) research & development projects by inviting proposal and placing purchase orders on startup firms. The expected date of completion is October-2026.

57 As of March 31, 2025, the books of accounts reflects liquidated damages of ₹ 94,005 Lakhs for Project P17A out of which ₹ 52,085 Lakhs were towards 2nd and 3rd ship, in anticipation of delay of five months each. However, the second ship was delivered on 1st July, 2025 with actual delay of three months and one day and third ship was delivered on 28th November, 2025 with actual delay of one month and 28 days, both after considering a grace period of one month. Consequently, excess liquidated damages of ₹ 26,247 Lakhs have been reversed and adjusted in revenue. As on 31st March, 2026 LD of Project P17A stood at ₹ 67,758 Lakhs

58 The Company has incurred an expenditure of ₹ 10,060 lakhs during FY 2025-26 (Previous year ₹ 3,572 Lakhs), in accordance with the approval granted by the Board at its meeting held on 26.07.2023, towards the development of concept and design for tendering/acquiring of a future contract. Since the contract has not yet been finalised, no revenue has been recognised during the year and the entire amount has been charged to Statement of Profit & Loss.

59 The project cost as estimated on 31.03.2026 for certain ongoing projects is likely to exceed the contractual revenue from these contracts, therefore difference between Estimated project cost and Contractual revenue needs to be provided as expected loss on onerous contracts. The expected loss arising from such contracts is required to be recognized in the current financial statements. The total estimated loss is proportionately adjusted through revenue, based on Percentage completion Method as on 31st March, 2026 and the balance loss, is recognised by creating a provision for expected loss on onerous contracts. The total estimated loss is ₹ 1,17,972 Lakhs, of which ₹ 12,013 Lakhs is adjusted through revenue, and provision is made for balance loss of ₹ 1,05,959 Lakhs.

60 In certain cases/yards, project related inventory has remained non-moving for several years following project completion. Consequently till March 31, 2025, a provision of ₹ 9045.67 lakhs was created for inventory pertaining to completed projects/yards to ensure accurate valuation. During the FY 2025-26, a technical committte was formed to evaluate inventory obsolescence of Inventory. Following the committee recomendations, the existing inventory provision has been fully reversed as of year end FY 2025-26.

61 Pursuant to the contract amendment of P75 project, additional revenue amounting to ₹ 12,328 Lakhs have been recognised during the period.

62 The Government of India has enacted four Labour Codes consolidating existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs. Considering the non-recurring nature of this impact, the Company has presented such incremental impact under "employees benefit expenses" in the statement of profit and loss for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

63 A In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped / reclassified, wherever considered necessary to conform to current year presentation.

63 B Use of Funds:

The company has used funds for the purpose for which they were borrowed from banks and financial institutions during the year.

63 C Change due to revaluation:

During the year company has not revalued its Property Plant and Equipment (PPE) and intangible assets.

63 D Other additional regulatory disclosures as required under Schedule III

i) Valuation by registered valuer:

During the year the company has not revalued its property, plant and equipment or intangible assets.

ii) Loans and advances

The company has not granted any loans and advances in the nature of loans to promoters, directors, Key Managerial Personnel (KMPs) and the related parties, repayable on demand or granted without specifying terms.

iii) Benami Property:

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1986 (45 of 1988) and the rules made there under.

iv) Wilful Defaulter:

The company has not been declared as wilful defaulter by any bank or financial institution or any other lander during the year.

v) RegistratIon of Charges or satisfaction with Register of Companies (ROC):

There are no charges or satisfaction of charges pending for registration with the Registrar of Companies (ROC) beyond the statutory period.

vi) Comptiance wIth number of Layer of Companies:

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules 2017.

vii) Scheme of arrangement:

During the year there is no Scheme of Anrrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the company

viii) Undisglosed income:

During the year the company has not disclosed any income in terms of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment under the Income Tax Act 1961.

ix) Virtual Currency:

The Company has not traded or invested in Crypto currently or Virtual Currency during the financial year.

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To,
The Members of Mazagon Dock Shipbuilders Limited,
Mumbai

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Mazagon Dock Shipbuilders Limited** ("the Holding Company" or the "Parent" or "the Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), and its share of profit/ loss in associates, which comprise the consolidated balance sheet as at 31st March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial information of such subsidiary and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March 2026, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its Associate Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained by us and evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

We draw your attention to Note No. 5 of the consolidated financial statements which indicate that during the year 2025 – 2026 the holding of 51% Equity Shares in Subsidiary Colombo Shipyard PLC which was acquired during the year.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

<table>
<tr><th>Sr.</th><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our audit</th></tr>
<tr><td>1</td><td>Revenue Recognition for Ship / Submarine Construction & Repair Contracts

Referred to in Note No. 1 – 2.2(j) of the Financials Statement

The company recognizes the revenue from Ship/Submarine Construction/ repair contracts when the company satisfies a performance obligation in accordance to Ind-AS 115 Revenue from Contracts from Customer only when it can reasonably measure its progress towards complete satisfaction of obligation or by transferring goods or service to a customer.

When the control of the goods produced and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)

This revenue recognition process is identified as key audit matter as these contracts involved:

- Identification of actual cost incurred on each contract.

- These contracts require determination of stage of completion and significant estimation of future cost of completion of each contract.

- At the period end, a significant amount of contract assets or contract liabilities related to each contract is to be identified.

For the year ended March 31,2026, contract revenue amounted to ₹ 12,97,307 Lakhs (Previous year: ₹ 11,19,604 Lakhs).</td><td>We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods or services to the customer for recognition of revenue is in accordance with Indian Accounting Standards.

Studied the Cost cycle process for allocating the actual expenses incurred on various projects as per contract.

Assessed the reasonableness and completeness of cost estimates made by Management under each contract. In this regard, we have relied on the technical data provided by the various departments.

Verified the Cost sheet for each project determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs to complete the project as provided by the management.

Verified the input cost incurred over the time for satisfaction of performance obligation. Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.

Verified the identification and measurement of year end contract assets and contract liabilities related to each contract.

We had assessed appropriateness of disclosure made as per applicable Indian Accounting Standards and applicable financial reporting framework.</td></tr>
</table>

Sr.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2	**Provision for Expected Loss on Onerous Fixed-Price Contracts** The Company has identified fixed-price contracts where future expected costs of fulfilling contract obligations exceeded the expected revenue from such contracts, resulting in an onerous contract. A provision for expected loss for onerous contracts was recognized as per Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. This was identified as a Key Audit Matter due to the material impact on the financial statements, significant judgment in cost estimation, and risk of misstatement in the provision (Refer Note 61 in the financial statements). For the year ended March 31,2026, the provision for expected loss on onerous contracts amounted to ₹ 1,05,959 Lakhs (PY ₹52,138 Lakhs).	Evaluated processes deployed by Management for identifying onerous contracts as per Ind AS 37. Tested cost estimates against project cost, historical data, and estimates made at the time of bidding. Reviewed the accuracy of provision recognized for full expected loss on each of identified onerous contracts. Compared total estimated cost under each contract, cost already incurred and expected future cost for fulfilling contract obligations, determined by the Management to arrive at expected loss on each contract. We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods to customer for recognition of revenue on these onerous contracts in accordance with Indian Accounting Standard. Examined cost overrun causes and controls identified by Management. We had assessed appropriateness of disclosure made as per applicable Indian Accounting Standards and applicable financial reporting framework

Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the holding Company's annual report viz. Board/Directors Report and its Annexures, Corporate Governance etc. but does not include the consolidated financial statement, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information , compare with the financial statements/financial information of the subsidiary and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and, consider whether the other information is materially inconsistent with the consolidated 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 of this other information, we are required to report that fact.

When we read the Holding Company Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Consolidated financial statements that give a true and fair view of the state of affairs (financial position), Consolidated profit and Loss statement (financial performance including other comprehensive income), Consolidated Statement of changes in equity and Consolidated cash flows of the Group Including its associated in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, Which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Director of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the group and its associates are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 Act, we are also 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and its associates 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements include the audited financial statements of:

One (1) subsidiary, which became subsidiary with effect from January 19, 2026 whose financial statements/ financial information reflect total assets of Rs.1,15,004 Lakhs as at 31st March 2026, total revenue of Rs. 16,881Lakhs, and net cash inflow of Rs. 20,579 Lakhs for the year ended on that date, as considered in the consolidated financial statements, which have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditors

One associates, whose financial statements/ financial information include the Group's share of total net profit after tax (before consolidation adjustments) of Rs. 15,648 Lakhs for the year ended 31st March 2026, as considered in the consolidated financial statements, which have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the report of such auditors.

The audit of consolidated financial statements for the previous year ended March 31, 2025 included in the current year's Consolidated financial statement have been carried out by C R Sagdeo & Co., Chartered Accountants.

Our opinion on the Consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the section 143 (3) of the Act, based on our audit we report that:
   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
   d. In our opinion, the aforesaid consolidated 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. On the basis of the reports of the statutory auditor of associate incorporated in India, none of the directors of associate incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act. We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company being Government company in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Associate Company with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in **'Annexure A'** to this report and our report expresses unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial control over financial reporting;
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2026 on the consolidated financial position of the Group and its associates. Refer Note 36.2 to 36.5 to the consolidated financial statements.
   b. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses requiring provision.

      The Associate Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivate contract.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Associate Company.

d. The Management has represented that,

a) to the best of its knowledge and belief, as disclosed in note 52 to the accounts, 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, whether, 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) to the best of its knowledge and belief, as disclosed in note 52 to the accounts, no funds (which are material either individually or in the aggregate) 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;

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) the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement.

e. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. The Board of Directors of the Parent and its associate have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 19 to the Consolidated financial statements).

f. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

In respect of Holding Company:

As per notification No. G.S.R. 463 (E). Dated 5th June 2015 issued by Ministry of Corporate Affairs, Provisions of section 197 of Companies Act 2013 is not applicable, being a Government Company. Accordingly, the section 197(16) of the Act is not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

In respect of Associate Company:

As per the opinion of auditor of the Associate Company and to the best of their information and according to the explanation given to them, the remuneration paid by the Associate Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

g. As required under section 143(5) of the Companies Act, 2013, we give in the **'Annexure B'**, a statement on the directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and consolidated financial statement of the company.

On the basis of our examination which included on test check basis, and that performed by the respective auditors of the subsidiary company and associate company incorporated in India whose financial statements have been audited under the Act, the company and associate has used accounting software for maintaining its books of accounts which have feature of recording audit trail facility and the same has operated throughout the year for all transactions recorded in the software and 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.

3. 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 Act, we give the details of the qualification or adverse remarks in paragraphs 3 and 4 of the Order of Holding and Associate Company:

Sr	Name & CIN	Holding/ Subsidiary/ Associate Company	Clause number of CARO Report which is qualified or is adverse
1	Mazagaon Dock Shipbuilders Limited - CIN L35100MH1934GOI002079	Holding Company	No Qualification
2	Goa Shipyard Limited – CIN U63032GA1967GOI000077	Associate Company	No Qualification

For SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789
UDIN: 26102789DVHJVC2104

Place: Mumbai
Date: April 30, 2026

Annexure A

to the Independent Auditors Report of even date on the consolidated financial statements of Mazagon Dock shipbuilders Limited

(Referred to in Paragraph "Report on Other Legal and Regulatory Requirements" section of our report).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026 we have audited the internal financial controls with reference to financial statements of Mazagon Dock Shipbuilders Limited (hereinafter referred to as "Holding Company") and associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its associate is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, its associate which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its associate which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, 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, and audit evidence obtained by other auditors in term of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its associate, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements 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 with reference to financial statement 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Holding Company, its subsidiary companyand associates which are incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026 , based on the internal control over financial reporting criteria established by the Group 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.

Other Matters

Our aforesaid reports under section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to financial statements in so far as it relates to 1 associate which is company incorporated in India, is based on the corresponding standalone / consolidated reports of the auditor, as applicable, of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789
UDIN: 26102789DVHJVC2104

Place: Mumbai
Date: April 30, 2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2026.

The preparation of consolidated financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2026 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of its associate, **Goa Shipyard Limited, Goa** for the year ended on that date. Further, section 139(5) and 143(6) (a) of the Act are not applicable to the Subsidiary, **Colombo Dockyard Public Limited Company, Sri Lanka** being entity incorporated in foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

SudhaRajan

(Sudha Rajan)
Director General of Audit (Defence-Commercial)

Place: Bengaluru
Date: 09 **July 2026**

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2026

₹ in lakhs

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,38,846	77,394
Right-of-use assets	2	65,354	67,038
Capital work-in-progress	3	25,184	13,320
Other intangible assets	2	1,712	2,140
Intangible assets under development	4	-	-
Goodwill		330	-
		2,31,426	**1,59,892**
Financial assets			
Investments	5	91,478	76,504
Trade receivable	6	1,875	1,773
Loans	7	2,000	2,000
Other financial assets	8	20,055	14,598
Deferred tax assets (net)	9	81,060	67,827
Non-current tax assets (net)	10	29,179	25,921
Other non-current assets	11	63,199	50,876
Total non-current assets		**5,20,272**	**3,99,391**
Current assets			
Inventories	12	2,61,689	4,53,708
Financial assets			
Trade receivables	13	2,60,569	1,06,721
Cash and cash equivalents	14	2,73,142	5,28,539
Bank balances other than cash and cash equivalents	15	10,36,507	10,86,422
Other financial assets	16	41,240	28,681
Contract assets		31,612	60,484
Assets held for sale		12	6
Other current assets	17	3,20,733	2,06,820
Total current assets		**22,25,504**	**24,71,381**
TOTAL ASSETS		**27,45,775**	**28,70,772**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	20,169	20,169
Other equity	18A	9,55,319	7,73,819
Non-Controlling Interest		22,913	-
Total equity		**9,98,401**	**7,93,988**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	7,203	-
Lease Liability		575	2,003
Trade payables			
i. Total outstanding dues of micro and small enterprises		-	-
ii. Total outstanding dues other than (i) above	20	1,875	1,773
Other financial liabilities	21	59	49
Long-term provisions	22	1,40,819	78,681
Other non-current liabilities	23	11,291	11,975
Total non-current liabilities		**1,61,822**	**94,481**
Current liabilities			
Financial liabilities			
Borrowings	19B	36,803	-
Lease Liability		156	30
Trade payables			
i. Total outstanding dues of micro and small enterprises		34,678	22,687
ii. Total outstanding dues other than (i) above	24	4,16,584	3,51,143
Other financial liabilities	25	38,494	25,929
Contract liability		10,30,293	15,49,439
Other current liabilities	26	3,910	3,052
Short-term provisions	27	24,636	30,023
Total current liabilities		**15,85,553**	**19,82,303**
Total liabilities		**17,47,374**	**20,76,784**
TOTAL EQUITY AND LIABILITIES		**27,45,775**	**28,70,772**
Basis of Preparation and Material Accounting Policy	1 to 63		
The accompanying notes form an Integral part of Consolidated Financial Statement.			

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

STATEMENT OF CONSOLIDATED PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2026

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
	INCOME			
1	Revenue from operations	28	13,00,631	11,43,188
2	Other income	29	1,13,940	1,11,157
3	**Total income**		**14,14,571**	**12,54,345**
4	**EXPENSES**			
	Cost of materials consumed	30	5,70,033	4,53,066
	Purchase of Stock-in-Trade		1,63,880	1,15,164
	Employee benefit expenses	31	98,276	97,875
	Finance costs	32	7,157	2,407
	Depreciation and amortization expenses		9,667	11,519
	Sub-contract Expenses		1,01,726	1,32,102
	Other expenses	33	1,04,530	64,304
	Provisions	34	35,623	71,742
	Total expenses		**10,90,892**	**9,48,179**
5	**Profit before tax and exceptional items**		**3,23,679**	**3,06,166**
6	Exceptional items		-	-
7	**Profit before tax and after exceptional items**		**3,23,679**	**3,06,166**
8	**Tax expense**			
	Current tax		95,233	86,279
	Deferred tax (credit) / charge		(13,749)	(7,847)
	Adjustment of tax relating to earlier years		7	-
9	**Profit for the year / period (excluding associate)**		**2,42,188**	**2,27,734**
10	**Share of Net Profit/(loss) of associate**		**15,648**	**13,617**
11	**Profit for the year**		**2,57,836**	**2,41,351**
	Profits / (losses) attributable to;			
	Owners of the company		2,58,327	2,41,351
	Non - controlling interests		(491)	-
	Profit / (loss) for the year		**2,57,836**	**2,41,351**
12	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined employee benefit plan		164	(368)
	Income tax effect		(41)	93
	Remeasurement of post employment benefit obligation of associate		(181)	(239)
	Fair value change of instruments valued at FVOCI		(1)	-
	Foreign currency translation differences - foreign operations		21	-
13	**Total comprehensive income for the year / period**		**2,57,798**	**2,40,837**
	Total comprehensive income attributable to;			
	Owners of the company		2,58,289	2,40,837
	Non - controlling interests		(491)	-
	Total comprehensive income for the year		**2,57,798**	**2,40,837**
14	**Earning per share**			
	Basic and Diluted (₹)		**64.04**	**59.83**
	Basis of Preparation and Material Accounting Policy The accompanying notes an Integral part of Consolidated Financial Statement.	1 to 63		

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

₹ in lakhs

Sr No.	Particulars	March 31, 2026	March 31, 2025
A	Cash flow from operating activities		
	Profit before tax and exceptional items	3,23,679	3,06,166
	Adjustments for :		
	(+) Non cash expenditure and non operating expenses		
	Depreciation / amortization	9,667	11,520
	Finance cost	7,150	2,407
	Forex variation	(155)	127
	Provisions	35,695	71,742
	(-) Non operating income		
	Profit / Loss on sale of fixed assets	(204)	(79)
	Interest income	(1,02,602)	(1,00,584)
	Amortization gain on deferred deposits of vendors	(1)	(6)
	Amortization of deferred revenue (customer funded assets)	(687)	(687)
	Interest Income on deferred payment liability to foreign supplier	(450)	(427)
	Operating profit before working capital changes	**2,72,092**	**2,90,179**
	Movement in working capital		
	Decrease / (Increase) in Inventories	2,00,544	1,17,629
	Decrease / (Increase) in Trade receivables and loans and advances	(1,40,781)	78,391
	Decrease / (Increase) Other current and non current assets	(66,028)	1,33,536
	(Decrease) / Increase in Trade payables	74,224	(94,336)
	(Decrease) / Increase in Other current and non current liabilities	(5,06,916)	(2,20,943)
	Cash flow from operations	**(1,66,864)**	**3,04,456**
	Direct tax paid (net of refunds)	(98,524)	(94,251)
	Net cash from (used in) operating activities (A)	**(2,65,388)**	**2,10,205**
B	Cash flow from investing activities		
	Purchase of property, plant and equipment (net of adjustments)	(6,405)	(74,314)
	Capital work in progress	(11,213)	(6,157)
	Proceeds from sale of property, plant and equipment	249	92
	Capital advance	(30,035)	32,450
	Interest received	1,02,602	1,00,584
	Dividend received	550	4,754
	Fixed Deposits/Term Deposits	65,186	(1,87,307)
	Investment in equity shares of Subsidiary-CDPLC from existing shareholder	(4,364)	-
	Net cash from / (used in) investing activities (B)	**1,16,570**	**(1,29,898)**

STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026 (Contd..)

₹ in lakhs

Sr No.	Particulars	March 31, 2026	March 31, 2025
C	**Cash flow from financing activities**		
	Capital Infusion through the Rights Issue	18,903	-
	Dividend paid	(77,490)	(71,197)
	Short term borrowings	(27,378)	-
	Interest on lease liabilities	(4)	(7)
	Finance costs - Others	(7,146)	(2,400)
	Repayment of priciple towards lease liability	(7)	(12)
	Net cash from / (used in) financing activities (C)	**(93,122)**	**(73,616)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,41,940)**	**6,691**
	Cash and cash equivalents at the beginning of the period	**5,30,074**	**5,21,848**
	Cash and cash equivalents at the end of the period	**2,88,134**	**5,28,539**
Note: Figure in bracket indicate outflow			

1 Statement of Cash Flows have been prepared under indirect method set out in IND AS-7 "Statement of Cash Flow" prescribed under Companies Act (Indian Accounting Standard) Rules, 2015 of Companies Act, 2013

2 Cash and cash equivalents as at the Balance sheet date consists of : ₹ in lakhs

Sr No.	Particulars	March 31, 2026	March 31, 2025
	Components of cash and cash equivalents:		
	Balances with banks:-		
	- In Current accounts		
	i) In India	64,056	1,52,781
	ii) Outside India	25	66
	- In cash credit accounts	4,395	2,765
	- In flexi deposit accounts	61,469	2,26,927
	- In fixed deposit accounts - maturity less than 3 months	1,43,197	1,46,000
	Bank (CDPLC)	14,992	-
	Total	**2,88,134**	**5,28,539**

3 Previous year figures are regrouped / recasted / rearranged wherever considered necessary.

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026

(A) Equity share capital

For the period ended March 31, 2026 ₹ in lakhs

Balance as at April 1, 2025	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2026
20,169	-	20,169	-	20,169

For the year ended March 31, 2025 ₹ in lakhs

Balance as at April 1, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2025
20,169	-	20,169	-	20,169

(B) Other equity

For the period ended March 31, 2026 ₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigeni-sation Fund	Capital Redemp-tion Reserve	FCTR	Other Compre-hensive Income (OCI)	Total Other Equity
Particulars	5,35,263	2,32,017	5	1,037	12,123	-	(6,626)	7,73,819
Profit / (loss) for the year	2,42,860							2,42,860
Share of change in reserves of associate	15,467							15,467
Other comprehensive income / (loss) for the year							123	123
Share of change in reserves of subsidiary						543	(3)	540
Dividends								
2nd interim dividend FY 24-25	(12,101)							(12,101)
1st interim dividend FY 25-26	(24,203)							(24,203)
Final dividend FY 24-25	(10,932)							(10,932)
2nd interim dividend FY 25-26	(30,254)							(30,254)
Balance as at March 31, 2026	**7,16,100**	**2,32,017**	**5**	**1,037**	**12,123**	**543**	**(6,506)**	**9,55,319**

For the year ended March 31, 2025 ₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigeni-sation Fund	Capital Re-demption Reserve	Other Com-prehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2024	3,65,347	2,32,017	5	1,037	12,123	(6,351)	6,04,178
Profit / (loss) for the year	2,27,734						2,27,734
Adjustments during the year							-
Share of change in reserves of associate	13,379						13,379
Other comprehensive income / (loss) for the year						(275)	(275)
Dividends							
Interim	(46,772)						(46,772)
Final	(24,425)						(24,425)
Balance as at March 31, 2025	**5,35,263**	**2,32,017**	**5**	**1,037**	**12,123**	**(6,626)**	**7,73,819**

Material accounting policies and accompanying notes No. 1 to 63 form an integral part of the financial statements

Refer Note 19 for further details

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

Note 1: Statement of Material Accounting Policies

1) Corporate information:

The Consolidated Financial Statements comprise Financial Statements of Mazagon Dock Shipbuilders Limited ("The Parent Company" or "MDL") and its subsidiary (collectively, the Group) and its interest in Associate company for the year ended March 31, 2026.

Mazagon Dock Shipbuilders Limited is a Government of India, Navratna Public sector undertaking incorporated and domiciled in India. The registered office is located at Dockyard Road, Mumbai, India. The Company is a public limited company and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Limited, India.

The Group's primary business activities comprise building and repairing of ships, submarines, various types of vessels and related engineering products for its customers.

The Financial Statements have been approved for issue in accordance with a resolution of the Board of directors passed in its meeting held on April 30, 2026.

2) Material accounting policies:

2.1 Basis of preparation:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Principles of Consolidation

The Consolidated Financial Statements including those of Associates and Subsidiaries are prepared on the following basis:

An associate is an entity over which the Group has significant influence. Significant influence does the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Investments in associates where the Group holds more than 20% of equity are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28- "Investments in Associates and Joint Ventures".

Exemption availed under Ind AS 101: On transition to Ind AS, the Group has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

A subsidiary is an entity over which the Group exercises Control. Control on the investee (subsidiary) is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee (subsidiary) and has the ability to affect those returns through its power over the investee (subsidiary). Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31.

Consolidation procedure as defined in the Ind AS 110 is followed under which the like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries are combined, the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary is offset / eliminated and intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full consolidation.

2.3 Summary of Material accounting policies:

a) Use of estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

Estimates and assumptions are required in particular for:

i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized:

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the 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.

iii. Recognition of deferred tax assets:

A deferred tax asset is recognised for all the deductible temporary differences and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the unused tax losses can be utilized. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may vary.

v. Discounting of long-term financial liabilities

All financial liabilities are measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

vi. Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from contracts with customers'. The estimates are revised periodically.

b) Current versus non-current classification:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

i. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading

iii. Expected to be realised within twelve months after the reporting period, or

iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

ii. A liability is treated as current when it is:

i. It is expected to be settled in normal operating cycle

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

c) Property, plant and equipment:

i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

- Cost means cost of acquisition, inclusive of inward freight, duties, non-refundable taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.
- When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.
- When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
- Spares purchased along with PPE are capitalised.
- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Group has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1st April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1st April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

ii. Depreciation:

(a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30

(b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.

(c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.

(d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.

(e) In respect of additions / extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.

(f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Depreciation on property, plant and equipment commences when the assets are ready for intended use

(h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.

(i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.

(j) When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

d) Intangible assets:

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

e) Impairment of assets:

At each balance sheet date, the Group assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Foreign currency transactions:

The financial statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.
- On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average annual rate of exchange for the period. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

g) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

h) Inventory valuation

i. Raw materials and stores and general spares are valued at lower of weighted average cost and net realisable value.

ii. Equipment for specific projects are valued at cost.

iii. Stock-in-transit is valued at cost.

iv. Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.

v. Scrap is valued at estimated net realizable value.

vi. Work in progress and finished goods (other than construction contracts & ship repair contracts) include purchase cost, conversion and other cost incurred in bringing them to the present location and condition have been valued at lower of cost and net realisable value.

vii. Cost of Stock in Trade includes cost of purchases and other cost incurred in bringing the inventories to the present location and condition.

i) Revenue recognition

i. Ship construction & repair contracts

Revenue from Ship Construction / repair Contracts shall be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met-

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or

(c) the Group's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time under the percentage of completion method (PoC). Penalties, if any, will be reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

Fixed Price Contract:

Revenues from construction contracts with customers are recognized over time using input method i.e. by comparing the actual costs incurred to the total costs anticipated for the entire contract. These estimates are revised periodically.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction / repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

Cost Plus Contract:

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably. Penalties, if any will be reduced from the revenue.

Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

Contract Asset:

The Group's right to consideration in exchange for goods or services that the group has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract Liability:

The Group's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

Revenue from supply of Base & Depot (B&D) spares:

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

Revenue for contract is yet to be finalized or under revision

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/ determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

Significant financing component:

Stage payments received towards execution of defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on case to case basis.

ii. Dividend income

Dividend income from investments is recognized when the Group's right to receive payment has been established.

iii. Interest income

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

iv. Insurance claims:

Amounts due against insurance claims are accounted for on accrual basis; in respect of claims which are yet to be finally settled at the end of reporting date by the underwriter, credits are reckoned, based on the Group's estimate of the realisable value.

j) Financial Assets:

i. Classification:

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

ii. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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.

iii. Financial assets measured at amortized cost:

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

iv. Financial assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v. Financial assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi. Investment in equity instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. Investment in Subsidiaries, Associates and Joint ventures are accounted at cost.

vii. Investment in debt instruments:

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

viii. Impairment of financial asset:

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

a) Expected Credit Loss Allowance is recognised in accordance with the simplified approach prescribed under Ind AS 109 – Financial Instruments for impairment of trade receivables. Financial Instruments which require expected life time losses to be recognised are done accordingly and loss allowance is generally recognised for debts outstanding for more than 3 years, except those which are contractually not due as per the terms of the contract or those which are considered realisable based on a case-to-case review.

b) Where dues are disputed in legal proceedings, loss allowance is recognised if any decision is given against the Group even if the same is taken up on appeal to higher authorities / courts.

c) Expected credit loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss.

ix. Derecognition of financial assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities:

Financial liabilities of the Group are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group.

The Group's financial liabilities include loans & borrowings, trade and other payables.

i. Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

ii. Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. In each financial year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

iii. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

iv. Retentions

Retention amount payable / receivable under the terms of the contracts with the vendors / customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

v. Security deposit

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.

k) Leases

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 "Leases", Appendix A of Ind AS 17 "Operating Leases—Incentives", Appendix B of Ind AS 17 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". and Appendix C of Ind AS 17 "Determining Whether an Arrangement Contains a Lease".

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments.

There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.

The Group adopted the new standard Ind AS 116 for accounting period beginning on or after April 1,2019 using retrospective method and therefore the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings with restatement of comparative information.

Identifying a lease

Under Ind AS 116, **the Group** assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease" is maintained for existing contracts.

i. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating leases under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period (which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Group recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Group has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances.
- Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1, 2018.
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1,2018, and as a result the Group has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1,2018 have been treated as short term.

Availing exemption by the Group

Furthermore, the Group has also elected to make use of the following exemptions provided by Ind AS 116:

a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease.

b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of Rs.1,00,000/- has been utilised to define "low value".

The Group's operating leases mainly relate to real estate assets, company cars and equipment. The most significant impact identified by the Group relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Group did not change the carrying amount of the right-of-use asset and the lease liability as of March 31,2019, measured under Ind AS 17.

ii. As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

l) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other long-term employee benefit obligations

The liabilities in respect of other long term employee benefits that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Compensated Absences:

The Compensated Absences cover the Company's liability for earned and sick leaves. The compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Total liability related to this is presented as current, since the Company does not have an unconditional right to defer its settlement. Actuarial gains/losses, if any, are recognised immediately in the Consolidated Statement of Profit and Loss.

iii. Post-employment obligations

(a) Defined contribution plans –

Payments to defined contribution plans are charged to the statement of profit and loss when employees have rendered service entitling them to the contributions as per pre-approved schemes.

(b) Defined benefit plans –

The cost of providing benefits under defined benefit plans are determined separately for each plan using the projected unit credit method. This attributes the increase in present value of the defined benefit obligation resulting from employee service in the current period to determine current service cost. The current service cost as stated above and past service costs, resulting from a plan amendment are recognized in the statement of profit and loss under 'employee benefits expense'.

Net interest which is recognized in the statement of profit and loss under 'employee benefits expense' represents the net change in present value of defined benefit obligations and the value of plan assets resulting from the passage of time, and is determined by applying the discount rate to the present value of the benefit obligation and to the fair value of plan assets at the beginning of the year, taking into account expected changes in the obligation or plan assets during the year.

Re-measurement of the defined benefit liability and asset, comprising actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest) are recognized in Other Comprehensive Income in the period in which they occur and are not subsequently reclassified to the statement of profit and loss.

The Group presents remeasurement of defined benefit plans as a part of retained earnings

Surplus or deficit recognized in the Consolidated Financial Statements for each defined benefit plan is the difference between the present value of the defined benefit obligation and the fair value of plan assets. The deficit for each plan managed through separate Trust Fund is to be settled directly to such Trust Fund. Defined benefit plan surpluses are only recognized to the extent they are recoverable, naturally by way of refund or reductions in future contributions to the plans.

m) Dividend to equity shareholders

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Parent company's / Subsidiary's Board of Directors.

n) Provision for current & deferred tax

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax:

Current tax comprises of the expected tax payable on the taxable income for the year. It is measured using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and laws that are enacted or substantively enacted as on reporting date in the countries where the Group operates and generates taxable income. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Deferred tax assets and liabilities pertaining to various entities in the Group are presented separately in Consolidated Balance sheet since there is no right to set-off deferred tax assets and liabilities within fiscal jurisdictions in which these entities operate and no intention exist to settle such balances on a net basis.

o) Provision for doubtful debts and loans and advances:

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

p) Warranty provision:

Provision for warranty related costs are recognised when the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

q) Provision, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

s) Business Combination & Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, Deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements and Assets (or disposal groups) classified as held for sale are accounted for in accordance with the respective Ind AS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognized in profit or loss and same is not reversed in subsequent periods.

t) Non – Controlling Interest:

Non-controlling interest represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Parent Company's shareholders. Non-controlling interest is initially measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Changes in the Groups interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Note 2 - Property, Plant and Equipment

₹ in lakhs

Current Year

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Addi-tions	Adjust-ments	Dispos-al	Balance 31-03-2026	Opening 01-04-25	For the period	Adjust-ments	Dispos-al	Balance 31-03-2026	As on 31-03-2026	As on 31-03-25
A	**Assets Owned by MDL**												
1	Freehold Land	36,544	-	-	-	36,544	-	-	(647)	-	(647)	37,190	10,772
2	Buildings: i) Factory Building	17,560	820	-	5	18,375	5,115	483	(138)	3	5,457	12,917	10,323
	ii) Office and Staff Quarters											-	-
	a) RCC	8,061	242	-	-	8,303	1,425	175	-	-	1,600	6,703	6,636
	b) Non RCC	5,100	617	-	-	5,717	1,744	130	(382)	-	1,492	4,225	2,122
	iii) Others (Temporary structure)	157	-	-	-	157	129	13	-	-	142	15	28
3	Road	4,500	-	-	-	4,500	2,418	716	(1)	-	3,132	1,368	2,068
4	Plant and Equipment	74,527	986	-	294	75,219	28,989	2,103	(1,256)	279	29,556	45,663	15,994
5	Furniture and Fixtures	2,929	157	1	36	3,051	1,892	185	(3)	27	2,047	1,004	1,015
6	Vehicles	2,936	321	-	36	3,221	2,606	60	(19)	34	2,612	609	346
7	Office Equipment	5,581	333	1	152	5,763	4,291	390	(3)	151	4,527	1,236	1,204
8	Computers and Data Processing Units	-	-	-	-	-	-	-	-	-		-	-
	i) Desktops, Laptops etc.	2,085	204	1	189	2,102	1,261	323	(14)	186	1,385	717	534
	ii) Server and Network	5,368	103	-	174	5,297	4,513	239	(36)	173	4,544	753	779
9	Loose Tools	1,797	106	-	76	1,828	1,687	60	(29)	76	1,641	187	133
10	Ship - Launches and Boats	6,886	634	-	-	7,520	1,170	262	(0)	-	1,431	6,089	5,717
11	Electrical Installation and Equipments	4,804	1,599	-	111	6,292	2,973	385	(29)	105	3,224	3,068	1,698
12	Right to use asset - Leasehold land	74,219	-	-	-	74,219	6,425	2,330	110	-	8,866	65,354	67,012
13	Inventory others	434	4	-	-	438	338	31	(10)	-	359	79	
14	Right to use asset - Vehicles	560	-	-	-	560	534	26	-	-	560	-	26
	Sub-total	**2,54,048**	**6,127**	**3**	**1,073**	**2,59,106**	**67,508**	**7,911**	**(2,457)**	**1,034**	**71,929**	**1,87,177**	**1,26,410**
	Previous Year's Figures	98,346	73,287	-	684	1,70,949	35,428	9,779	-	668	44,539	1,26,410	62,918

Note: Vessels under the head "Launches and Boats" costing ₹ 4934 lakhs (2025 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Addi-tions	Adjust-ments	Disposal	Balance 31-03-2026	Opening 01-04-25	For the period	Adjust-ments	Dispos-al	Balance 31-03-2026	As on 31-03-2026	As on 31-03-25
1	Buildings: i) Factory Building	16,265	-	-	-	16,265	4,736	508	-	-	5,244	11,021	11,529
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	233	29	-	-	262	1,384	1,413
	b) Non RCC	-	48	-	-	48	-	-	-	-	-	48	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12	12
3	Plant and Equipment	7,533	-	-	-	7,533	3,499	388	-	-	3,887	3,646	4,034
4	Electrical Installation and Equipments	649	-	-	-	649	500	62	-	-	562	87	149
5	Furniture and Fixtures	216	-	-	1	215	165	20	1	-	186	29	51
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9	9
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	0	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	321	39	-	-	360	783	822
	Sub-total	**28,080**	**48**	**-**	**1**	**28,127**	**10,057**	**1,046**	**1**	**-**	**11,104**	**17,023**	**18,023**
	Previous Year's Figures	28,059	21	-	-	28,080	9,011	1,046	-	-	10,057	18,023	19,048
	Total Tangibles Assets (A+B)	**2,82,128**	**6,175**	**3**	**1,074**	**2,87,232**	**77,565**	**8,957**	**(2,456)**	**1,034**	**83,033**	**2,04,200**	**1,44,432**
	Previous Year's Figures	1,26,404	73,308	-	684	1,99,028	44,439	10,825	-	668	54,596	1,44,432	81,965

Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Addi-tions	Adjust-ments	Disposal	Balance 31-03-2026	Opening 01-04-25	For the period	Adjust-ments	Dispos-al	Balance 31-03-2026	As on 31-03-2026	As on 31-03-25
A	**Assets Owned by MDL**												
1	Computer Software/SAP-ERP	1,546	13	-	-	1,559	1,496	21	-	-	1,516	42	20
2	Other than SAP-ERP	7,802	239	-	-	8,041	5,682	689	-	-	6,371	1,670	2,120
	Sub Total	**9,348**	**252**	**-**	**-**	**9,600**	**7,178**	**710**	**-**	**-**	**7,887**	**1,712**	**2,140**
	Previous Year's Figures	7,885	1,006	-	-	8,891	6,056	695	-	-	6,751	2,140	1,829

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-25	Additions	Adjustments	Disposal	Balance 31-03-2026	Opening 01-04-25	For the period	Adjustments	Disposal	Balance 31-03-2026	As on 31-03-2026	As on 31-03-25
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-	-
	Sub Total	**1,181**	**-**	**-**	**-**	**1,181**	**1,181**	**-**	**-**	**-**	**1,181**	**-**	**-**
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-	-
	Total Intangible Assets (A+B)	**10,529**	**252**	**-**	**-**	**10,781**	**8,359**	**710**	**-**	**-**	**9,068**	**1,712**	**2,140**
	Previous Year's Figures	9,066	1,006	-	-	10,072	7,237	695	-	-	7,932	2,140	1,829
	Total Assets (i+ii)	**2,92,657**	**6,427**	**3**	**1,074**	**2,98,013**	**85,924**	**9,667**	**(2,456)**	**1,034**	**92,101**	**2,05,912**	**1,46,572**
	Previous Year's Figures	1,35,470	74,314	-	684	2,09,100	51,676	11,520	-	668	62,528	1,46,572	83,794

(i) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land has been be retained by the Company and possession is handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Building as at 31st March 2026 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

vi) Capital expenditure on Research and Development aggregating to ₹ 78 lakhs (Previous year - ₹ 325 lakhs) is reflected under respective various heads in the above note.

Note 2 - Property, Plant and Equipment (Contd.....)

x) Assets jointly funded by MDL and Indian Navy

₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships , Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	As on 31-03-2026	As on 31-03-25
1	Total Cost upto 31.03.2026	34,031	703	64,467	345	96	1,984	162	241	1,418	133	1,03,580	1,03,533
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,109	21	4,154	-	-	159	8	-	237	133	10,821	10,774
	Previous Year's Figures	6,062	21	4,154	-	-	159	8	-	237	133	10,774	10,753

(ix) Title deeds of immovable properties not held in the name of the company as on 31.03.2026

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	**Lease hold Land**					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriential Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on the Company's name was changed to 'Mazagon Dock Limited" (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process. MDL has approched Ministry of Defence and O/o the Principal Director, Directorate General Defence Estate, New Delhi to provide the acquisition documents for correcting/ regularising the land records.
	North Yard, Near Residential Colony, MDL, Mumbai	-			1975	
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai				1947	

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building					
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

Previous Year

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Additions	Adjustments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjustments	Disposal	Balance 31-03-25	As on 31-03-25	As on 31-03-24
A	**Assets Owned by MDL**												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building	11,934	1,367	-	3	13,298	1,553	1,425	-	3	2,975	10,323	10,381
	ii) Office and Staff Quarters												
	a) RCC	7,900	164	-	3	8,061	1,257	170	-	2	1,425	6,636	6,643
	b) Non RCC	2,026	545	-	-	2,571	358	91	-	-	449	2,122	1,668
	iii) Others (Temporary structure)	146	11	-	-	157	111	18	-	-	129	28	35
3	Road	4,441	-	-	-	4,441	1,657	716	-	-	2,373	2,068	2,784
4	Plant and Equipment	28,460	2,297	-	47	30,710	11,512	3,245	-	41	14,716	15,994	16,948
5	Furniture and Fixtures	2,479	145	-	21	2,603	1,387	205	-	4	1,588	1,015	1,092
6	Vehicles	2,202	5	-	12	2,195	1,790	70	-	11	1,849	346	412
7	Office Equipment	4,900	197	-	23	5,074	3,476	427	-	33	3,870	1,204	1,424
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	1,138	304	-	344	1,098	668	240	-	344	564	534	470
	ii) Server and Network	4,226	619	-	6	4,839	3,838	227	-	5	4,060	779	388
9	Loose Tools	849	3	-	225	627	671	48	-	225	494	133	178
10	Ship - Launches and Boats	4,934	1,933	-	-	6,867	933	217	-	-	1,150	5,717	4,001
11	Electrical Installation and Equipments	3,439	197	-	-	3,636	1,655	283	-	-	1,938	1,698	1,784
12	Right to use asset - Leasehold land	7,937	65,500	-	-	73,437	4,087	2,338	-	-	6,425	67,012	3,850
13	Right to use asset - Vehicles	560	-	-		560	475	59			534	26	85
	Sub-total	**98,346**	**73,287**	**-**	**684**	**1,70,949**	**35,428**	**9,779**	**-**	**668**	**44,539**	**1,26,410**	**62,918**
	Previous Year's Figures	1,12,862	6,672	(20,368)	821	98,346	32,246	6,743	(2,763)	798	35,428	62,918	80,616

Note: Vessels under the head "Launches and Boats" costing ₹ 4934 lakhs (2024 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Additions	Adjustments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjustments	Disposal	Balance 31-03-25	As on 31-03-25	As on 31-03-24
1	Buildings: i) Factory Building	16,244	21	-	-	16,265	4,228	508	-	-	4,736	11,529	12,016
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	204	29	-	-	233	1,413	1,442
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12	12
3	Plant and Equipment	7,533	-	-	-	7,533	3,111	388	-	-	3,499	4,034	4,422
4	Electrical Installation and Equipments	649	-	-	-	649	438	62	-	-	500	149	211
5	Furniture and Fixtures	216	-	-	-	216	145	20	-	-	165	51	71
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9	9
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	0	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	282	39	-	-	321	822	861
	Sub-total	**28,059**	**21**	**-**	**-**	**28,080**	**9,011**	**1,046**	**-**	**-**	**10,057**	**18,023**	**19,048**
	Previous Year's Figures	28,059	-	-	-	28,059	7,978	1,033	-	-	9,011	19,048	20,081
	Total Tangibles Assets (A+B)	**1,26,404**	**73,308**	**-**	**684**	**1,99,028**	**44,439**	**10,825**	**-**	**668**	**54,596**	**1,44,432**	**81,965**
	Previous Year's Figures	1,40,921	6,672	(20,368)	821	1,26,404	40,224	7,776	(2,763)	798	44,439	81,965	1,00,697

Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Additions	Adjustments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjustments	Disposal	Balance 31-03-25	As on 31-03-25	As on 31-03-24
A	**Assets Owned by MDL**												
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	1,027	42	-	-	1,069	20	62
2	Other than SAP-ERP	6,796	1,006	-	-	7,802	5,029	653	-	-	5,682	2,120	1,767
	Sub Total	**7,885**	**1,006**	**-**	**-**	**8,891**	**6,056**	**695**	**-**	**-**	**6,751**	**2,140**	**1,829**
	Previous Year's Figures	7,255	630	-	-	7,885	5,519	537	-	-	6,056	1,829	1,736

Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-24	Addi-tions	Adjust-ments	Disposal	Balance 31-03-25	Opening 01-04-24	For the period	Adjust-ments	Dispos-al	Balance 31-03-25	As on 31-03-25	As on 31-03-24
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-	-
	Sub Total	**1,181**	**-**	**-**	**-**	**1,181**	**1,181**	**-**	**-**	**-**	**1,181**	**-**	**-**
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-	-
	Total Intangible Assets (A+B)	**9,066**	**1,006**	**-**	**-**	**10,072**	**7,237**	**695**	**-**	**-**	**7,932**	**2,140**	**1,829**
	Previous Year's Figures	8,436	630	-	-	9,066	6,700	537	-	-	7,237	1,829	1,736
	Total Assets (i+ii)	**1,35,470**	**74,314**	**-**	**684**	**2,09,100**	**51,676**	**11,520**	**-**	**668**	**62,528**	**1,46,572**	**83,794**
	Previous Year's Figures	1,49,357	7,302	(20,368)	821	1,35,470	46,924	8,313	(2,763)	798	51,676	83,794	1,02,433

(i) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land has been be retained by the Company and possession is handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Mumbai Port Authority vide allotment letter No. EM/U-8/MDSL-Gen/Vol V/6127 & letter No. EM/U-8/MDSL-Gen/Vol. V/6128 dated 11 March 2024 has granted lease for 04 Plots & 08 Plots respectively for a period of 29 Years from 01/04/2024 to 31/03/2053.

The title of above Plots are in name of MDL vide above mentioned allotment letters. MDL had submitted the application for adjudicating Stamp Duty on Lease Deeds of these 04 Plots & 08 Plots. The O/o Collector of Stamp, Mumbai City, has given the final order for payment of Stamp Duty on 04 Plot's and 08 Plot's Lease Deed. The excecution of Lease deed for 04 Plots & 08 Plots is under process.

(vi) Company has entered into a new lease with Mumbai Port Authority (MbPA) for land admeasuring 14.55 Acres and building (Workshop land and Clarke Basin), adjacent to the company's land. The lease term is 29 years effective from April 1, 2024. An amount of Rs. 29,801 lakhs was paid to MbPA in FY 2023-24 has now been capitalised and Right to Use Asset (RoU) asset has been created on the same. As on 31.03.2025, the lease deed for the adjacent lease land is under execution.

Note 2 - Property, Plant and Equipment (Contd.....)

(vii) During the year ended 31st March 2025, the Company acquired a parcel of land on lease from Mumbai Port Authority (MbPA) along with an existing building structure (Acquisition cost building structure ₹ 24.85 Cr) thereon. Post-acquisition, the building structure was evaluated through technical assessment. The assessment concluded that the building was in a dilapidated condition, with limited residual utility and structural integrity, and therefore had a useful life of only one year from the date of acquisition. Accordingly, the useful life of the building structure was revised to one year, and the change has been accounted.

(viii) Building as at 31st March 2025 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

ix) Capital expenditure on Research and Development aggregating to ₹ 325 lakhs (Previous year - ₹ 733 lakhs) is reflected under respective various heads in the above note.

(x) Assets jointly funded by MDL and Indian Navy

₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships , Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2025	As on 31-03-24
1	Total Cost upto 31.03.2025	33,984	703	64,467	345	96	1,984	162	241	1,418	133	1,03,533	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,062	21	4,154	-	-	159	8	-	237	133	10,774	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

Note 2 - Property, Plant and Equipment (Contd.....)

ix) Title deeds of immovable properties not held in the name of the company as on 31.03.2025

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE	**Lease hold Land**					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriential Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL)was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on the Company's name was changed to 'Mazagon Dock Limited" (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process. MDL has approched Ministry of Defence and O/o the Principal Director, Directorate General Defence Estate, New Delhi to provide the acquisition documents for correcting/ regularising the land records.
	North Yard, Near Residential Colony, MDL, Mumbai	-			1975	
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai				1947	
	355 Phase North yard	-	Mumbai Port Trust (Mbpt)	Yes. MbPA has issued Charge Certificate	1976	Mumbai Port Authority vide allotment letter No. EM/U-8/ MDSL-Gen/Vol V/6127 dated 11 March 2024 has granted lease for 04 Plots for a period of 29 Years from 01/04/2024 to 31/03/2053. Mumbai Port Authority vide allotment letter No. EM/U-8/MDSL-Gen/Vol. V/6128 dated 11 March 2024 has granted lease for 08 Plots for a period of 29 Years from 01/04/2024 to 31/03/2053. MDL is regularly paying the lease rent to MbPA as agreed between MDL and MbPA. The title of above Plots are in name of MDL vide above mentioned allotment letters. The excecution of Lease deed for 04 Plots & 08 Plots is under process.
	Extension of Phase II	-			1979	
	Extension of Slipway in SY	-			1995	
	Additional water area for Extn of Slipway	-			2003	
	LRR No 1997 (20801509)	-	Mumbai Port Trust (Mbpt)		1994	
	LRR No. 2018 Magazine street (20801510)	-			1994	
	Lease of Plot 357 (20801638)	-			1964	
	358 RECL of Bal. Area (20801643)	-			1994	

Note 2 - Property, Plant and Equipment (Contd.....)

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
	Water area for proposed WET Basin PRO (20801653)	-			2007	
	Approach Road to Mazagaon Pier (20801654)	-			2007	
	Direct allotment of Foreshore Land (20801655)	-			2007	
	Addl. Water area for Dolphins & Walkways (20801656)	-			2009	
	Adjacent Workshop Land and clerk Basin Area		Mumbai Port Authority	Yes. MbPA has issued Charge Certificate	2024	MDI has acquired the land from MbPA for 29 Years from 1/04/2024 to 31/03/2053. The Execution of lease deed for this land is under process. Mumbai Port Authority vide allotment letter EM/U-9/MDL/Misc/119-6119 dated 07th March, 2024.
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building					
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-

3 Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Capital work-in-progress				
1. Own resources				
A. Tangible assets				
Opening balance	14,216		7,177	
Add: Expenditure during the period	18,341		79,804	
Less: Capitalisation during the period	(7,021)	25,537	(73,308)	13,673
Less: Provision for Tangible assets		(353)		(353)
Total		**25,184**		**13,320**

3 (A) Ageing for capital work-in-progress as at March 31, 2026 as follows:

₹ in lakhs

Particulars	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	11,579	7,512	3,416	2,676	25,184
Projects temporarily suspended	-	-	-	353	353
Less: Provision	-	-	-	-353	(353)
Total	**11,579**	**7,512**	**3,416**	**2,676**	**25,184**

3 (B) Completion schedule - Time and Cost overrun 2025-26

₹ in lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT plant.	-	26	-	-	26
Consultancy for MDP gavan land	-	241	-	-	241
Greenfield shipyard Nhava infrastructure	-	-	-	296	296
Caisson gate	1,315	-	-	-	1,315
Shipbuilding and ship repair facility at Nhava yard	-	-	-	43	43
Desk studies at Nhava yard	-	-	-	65	65
Civil, mechanical & electrical of submarine launch facility at Alcock yard	920	-	-	-	920
Goliath crane NY slipway	54	-	-	-	54
Design & Development of Mobile Target Emulator (MTE)	1	-	-	-	1
Repair of caisson gate of workshop 'c' of East yard dry dock	124	-	-	-	124
Midget Submarine project	1,951	-	-	-	1,951
Consultancy services for creation of submarine launch facility at Alcock yard	31	-	-	-	31
Restorative repair/construction of kasara dolphin jetty, North yard	548	-	-	-	548
Construction of rcc/asphalt roads at North yard	419	-	-	-	419

3 Capital work-in-progress (Contd..)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Construction of hard stand with land ties, brackets and service trench including allied electrical works at Nhava yard	5,507	-	-	-	5,507
Renovation of boat deck quarter p o terrace, residential area, Mumbai	25	-	-	-	25
Architectural/consultancy services for construction of security complex at main gate	25	-	-	-	25
Construction of new hydraulic clean room, in CAS shop, East yard	5	-	-	-	5
Grit store at dock no.04	-	134	-	-	134
Renovation of aluminium workshop with replacing roof	-	5	-	-	5
Total*	**10,925**	**406**	**-**	**404**	**11,735**

*There is no cost over run in any project, only time over run which is as per above table

3 (C) Completion schedule - Suspended projects as at March 31, 2026 as follows: ₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Design, Fabrication, Transportation, Installation and Commission of Portable Slipway Covers.	-	-	-	353	353
Total	**-**	**-**	**-**	**353**	**353**

3 (a) Ageing for capital work-in-progress as at March 31, 2025 as follows: ₹ in lakhs

Particulars	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*	4,970	1,841	3,536	2,973	13,320
Projects temporarily suspended	-	-	-	353	353
Less: Provision	-	-	-	(353)	(353)
Total	**4,970**	**1,841**	**3,536**	**2,973**	**13,320**

3 Capital work-in-progress (Contd..)

3 (b) Completion schedule - Time and Cost overrun 2024-25

₹ in lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT Plant	-	-	-	17	17
Consultancy for MDP at Gavan	-	-	-	243	243
Greenfield Shipyard at Nhava	-	-	-	65	65
Fire Alarm & Fire Fighting System	-	-	-	304	304
Caisson Gate	-	1,215	-	-	1,215
Upgradation of MDL Tug MT Andaman	227	-	-	-	227
Midget Submarine Project	-	-	1,951	-	1,951
Repair Facility at NHAVA Yard	-	-	-	43	43
High Mast Light	103	-	-	-	103
Desk Studies for Creation of A Greenfield Shipyard At Nhava Yard	-	-	-	296	296
Submarine Launch Facility	638	-	-	-	638
Modernisation of Bond Stores	37	-	-	-	37
Power Supply-1.5MW at Nhava Yard	191	-	-	-	191
Caisson Gate of Workshop 'C' of East Yard Dry Dock	124	-	-	-	124
ACs for Security complex	861	-	-	-	861
Total*	**2,181**	**1,215**	**1,951**	**968**	**6,315**

*There is no cost over run in any project, only time over run which is as per above table

3 (c) Completion schedule - Suspended projects as at March 31, 2025 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Design, Fabrication, Transportation, Installation and Commission of Portable Slipway Covers	-	-	-	353	353
Total	**-**	**-**	**-**	**353**	**353**

4 Intangible assets under development

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Opening balance	-		339	
Add: Expenditure during the period	-		667	
Less: Capitalisation/adjustments during the period	-	-	(1,006)	-
Total		**-**		**-**

5 Non-current investments

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Unquoted				
In Equity shares of Associate Concern - Goa Shipyard Limited		91,421		76,504
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)		-		
Sri Lanka Port Management and Consultancy Services Limited		42		
1002 equity shares of LKR 10 fully paid up				
Associated Newspapers of Ceylon Limited		16		
10,000 equity shares of LKR 10 fully paid up		-		
Total		**91,478**		**76,504**

During the year, Mazagon Dock Shipbuilders Limited acquired a controlling stake of 51% in Colombo Dockyard PLC (CDPLC), thereby obtaining control in accordance with Ind AS 110 – Consolidated Financial Statements and accounting for the transaction as a business combination under Ind AS 103 – Business Combinations; the acquisition, approved by the Board and completed in compliance with the provisions of the Companies Act, 2013 and other applicable regulations, is aligned with the Company's strategic objectives.

5.1 Nature and Description of Business Combination

Particulars	Details
Name of the Acquiree	Colombo Dockyard PLC
Country of Incorporation	Sri Lanka
Nature of Business	Sri Lanka's largest engineering facility leading in the business of ship repairs, shipbuilding, heavy engineering and offshore engineering.
Acquisition Date (Control Established)	19th January 2026
Mode of Acquisition	Rights Issue subscribed by Mazagon Dock Shipbuilders Limited
Equity Interest Acquired on 19th January 2026	41.73%
Basis of Control	Control established on 19th January 2026 as per Ind AS 110 – Consolidated Financial Statements, based on assessment of power over the Subsidiary.
Equity Interest used for Consolidation (FY 2025-26)	41.73% — being the holding at the date on which control was established and the basis for consolidation for the year ended 31st March 2026.
Primary Reason for Acquisition	This acquisition brings Sri Lanka's largest shipyard under MDL's operational control, marking a transformative step in India's maritime expansion strategy.

5.2 Subsequent Acquisition of 9.27%

Event: On 25th March 2026, the Company acquired an additional 9.27% equity stake in the Subsidiary from existing shareholders, increasing the aggregate holding to 51.00%.

Treatment: Since control had already been established on 19th January 2026, this subsequent acquisition is a transaction between the Company and the Non-Controlling Interest (NCI) owners, accounted for as an equity transaction under Ind AS 110 (no goodwill / no gain or loss in P&L).

Materiality: The additional 9.27% stake was acquired on 25th March 2026, i.e., only 6 days before the close of the financial year (31st March 2026). The incremental holding period (6 days) is considered immaterial for the purposes of consolidation. Accordingly, the Consolidated Financial Statements for the year ended 31st March 2026 have been prepared on the basis of the 41.73% holding, with NCI recognised at 58.27%.

5 Non-current investments (Contd..)

5.3 Consideration Transferred

The consideration transferred for acquisition of 41.73% equity interest (basis of consolidation) on 19th January 2026 is as follows:

₹ in lakhs

Particulars	Details
Cash consideration paid (Rights Issue subscription) for 41.73% equity interest	19,331
Note: Transaction costs (legal, due diligence, advisory fees, etc.) have been expensed as incurred and are not included in the consideration transferred, in accordance with Ind AS 103.	

Additional 9.27% acquired on 25th March 2026: Consideration paid for the additional stake ₹ 4364 Lakhs. This amount is not included in the goodwill computation and has been treated as an equity transaction

5.4 Goodwill Arising on Consolidation

Goodwill has been calculated in accordance with Ind AS 103 – Business Combinations. The goodwill calculation is based on the 41.73% holding as at 19th January 2026 (date control was established). Non-Controlling Interest (NCI) has been measured using the Proportionate Share of Net Identifiable Assets Method (Net Assets Method).

₹ in lakhs

Particulars	Amount
A) Consideration transferred for 41.73% stake (Rights Issue — 19th Jan 2026)	19,331
(B) Non-Controlling Interest (NCI) at 58.27%	27,358
Net identifiable assets at fair value (100%)	46,355
NCI % (100% - 41.73%)	58.27%
NCI amount [B]	27,358
(C) Fair value of previously held equity interest	-
(D) Total [A + B + C]	46,689
(E) Less: Net identifiable assets at fair value (100%) [X]	46,355
Goodwill arising on consolidation [D - E]	**₹ 334**

5.5 Non-Controlling Interest (NCI)

NCI Calculation as at Acquisition Date (19th January 2026)

₹ in lakhs

Particulars	Amount
Net identifiable assets of the Subsidiary at fair value (100%)	46,355
NCI % on acquisition date (100% – 41.73%)	58.27%
NCI recognised on 19th January 2026 (Net Assets Method)*	27,358

*NCI has been computed on the proportionate share of the consolidated net assets of the Subsidiary (CDPLC), which includes the effect of CDPLC's 51% shareholding in Ceylon Shipping Agency Pte., Singapore. Accordingly, the NCI amount is not a simple product of the NCI percentage (58.27%) and CDPLC's standalone net identifiable assets, as the consolidated net assets of CDPLC reflect the assets and liabilities of Ceylon Shipping Agency Pte., Singapore on a proportionate consolidation basis

Movement in NCI during the year (25th March 2026 — Additional 9.27% Acquired)

On 25th March 2026, the Company acquired a further 9.27% stake from existing shareholders. Since control already existed, this transaction is treated as a transaction with NCI owners (equity transaction) under Ind AS 110. NCI was reduced accordingly:

₹ in lakhs

Particulars	Amount
NCI at the date of initial acquisition (19th Jan 2026)	27,358
Add: NCI's share of post-acquisition profits/(losses) (Jan–Mar 2026)	(491)
Add / (Less): Other reserves attributable to NCI	410
Less: NCI derecognised on acquisition of additional 9.27%	4,364
NCI as at 31st March 2026 (58.27% → reduced to 49%)	22,913

6 Trade receivables - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Unsecured, considered good)				
Deferred debts		2,413		2,263
Less: Amount receivable within 12 months		(538)		(490)
Total		**1,875**		**1,773**

Ageing for trade receivables-non-current outstanding as at March 31, 2026 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	-	1,875.00	1,875.00
(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	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**1,875.00**	**1,875.00**

Ageing for trade receivables-non-current outstanding as at March 31, 2025 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	-	1,773	1,773
(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	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**1,773**	**1,773**

7 Loans - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Loans Receivables considered good - Secured		-		-
Loans Receivables considered good - Unsecured		2,000		2,000
Loans Receivables which have significant increase in credit Risk; and		-		-
Loans Receivables credit impaired		-		-
Total		**2,000**		**2,000**

8 Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Unsecured, considered good)				
Security deposits with Mumbai Port Trust		469		461
Other deposits		976		432
Fixed deposits with bank with maturity over 12 months		340		340
(The above deposits are under lien with Mumbai Port Trust)				
Leave encashment fund		16,533		13,365
Other financial assets including derivatives-Loans given to employees		1,737		
Total		**20,055**		**14,598**

9 Deferred tax assets (net)

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Deferred tax assets / (liabilities)				
Deferred tax assets				
Provisions	87,553		74,648	
Others	-	87,553	-	74,648
Deferred tax liabilities	-			
Property Plant and Equipment - (Depreciation)	(6,493)	(6,493)	(6,821)	(6,821)
Total Deferred tax assets (net)		**81,060**		**67,827**

10 Non-current tax assets (net)

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Tax Assets and Liabilities				
Non Current Tax Assets		3,53,181		2,54,657
Non Current Tax Liabilites		(3,24,002)		(2,28,736)
Non-current tax assets (net)		**29,179**		**25,921**

11 Other non-current assets

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Capital advances		41,571		11,536
Other receivables - considered good	457		1,154	
Other receivables - considered doubtful	7		1,219	
Less: Allowance for doubtful receivables	(7)	457	(1,219)	1,154
Advances paid to vendors - considered doubtful	119		120	
Less: Allowance for doubtful advances	(119)	-	(120)	-
VAT / sales tax receivable		6,441		6,491
GST input tax credit		14,379		31,562
Prepaid expenses - Others		351		133
Total		**63,199**		**50,876**

12 Inventories

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Valued at cost or net realisable value)				
Raw materials				
Material in stores	43,297		34,743	
Less: Provision for obsolescence	(823)	42,474	(346)	34,397
Stores and spares				
Material in stores	16,422		9,106	
Less: Provision for obsolescence	(343)	16,079	(282)	8,824
Equipment for specific projects				
Material in stores/site	1,61,952		3,49,209	
Less: Provision for obsolescence	(490)		(9,046)	
	1,61,462		3,40,163	
Stock in transit	33,323		21,236	
Materials pending inspection	7,996	2,02,781	48,253	4,09,652
Scrap		355		835
Total		**2,61,689**		**4,53,708**

Note:

(i) Inventory costing ₹ 2,143 lakhs (Previous year: ₹ 873 lakhs) is held with other vendors.

(ii) Inventory costing ₹ 174 Lakhs (Previous year: ₹ 71 Lakhs) is held at customer's store.

(iii) As on 31st March, 2026, Inventory held on behalf of Navy is ₹ 2,204 lakhs (Previous year - ₹ 3,027 lakhs) which is excluded from above inventory.

iv) The Group follows adequate provisioning policy for written down the value of slow moving and non moving Inventories along with provison towards net relisable value.

v) The working capital facility are secured by hypothecation of inventories.

13 Trade receivables - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Trade receivables considered good - unsecured		2,60,569		1,06,721
Trade receivables considered doubtful - unsecured		42,206		43,426
Total		3,02,775		1,50,147
Loss allowance		(42,206)		(43,426)
Total		**2,60,569**		**1,06,721**

Ageing for trade receivables-current outstanding as at March 31, 2026 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	1,57,657	93,242	6,401	2,901	362	7	2,60,569
(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	-	-	-	-	-	-	-
Total	**1,57,657**	**93,242**	**6,401**	**2,901**	**362**	**7**	**2,60,569**

Ageing for trade receivables-current outstanding as at March 31, 2025 is as follows:

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	14,454	64,967	14,929	4,702	6,660	1,009	1,06,721
(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	-	-	-	-	-	-	-
Total	**14,454**	**64,967**	**14,929**	**4,702**	**6,660**	**1,009**	**1,06,721**

14 Cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Cash and cash equivalents				
Balances with banks:-				
- In current accounts				
i. In India	64,056		1,52,781	
ii. Outside India	25	64,081	66	1,52,847
- In cash credit accounts		4,395		2,765
- In flexi deposit accounts		61,469		2,26,927
- In fixed deposit accounts - less than 3 months		1,43,197		1,46,000
Total		**2,73,142**		**5,28,539**

MDL has availed Cash Credit facility (Sanction limit of 3500 Lakhs) from consortium banks (SBI, BOB, UBI, HDFC Bank, ICICI Bank and Axis Bank) at the interest rate as per below:

1. State Bank of India - 1.20% above 6-Months MCLR
2. Bank of Baroda - 1 Year MCLR
3. Union Bank of India - 9.10% p.a. (1 Year MCLR + 0.35% p.a.)
4. HDFC Bank - To be decided mutually.
5. ICICI Bank - 8.95% p.a. (MCLR-6M 8.80% and Spread 0.15%).
6. Axis Bank - To be decided mutually.

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 Nil.

15 Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		10,36,471		10,86,400
Earmarked balances with banks for Unpaid Dividend		36		22
Total		**10,36,507**		**10,86,422**

Note:

1. MDL's Fixed Deposits amounting to Rs. 95,000 Lakhs (Previous year - Nil) are liened against overdraft facility with Bank of Baroda, the overdraft utilisation is Nil as on 31st March 2026 (Previous year - Nil).
2. CDPLC's Fixed Deposits amounting to 1,000,000 $ are liened against overdraft facility with Bank of Ceylon, the overdraft utilisation is Nil as on 31st March 2026

16 Other financial assets - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Interest accrued on deposits and advances		23,078		28,214
Interest accrued Income Tax refund		246		246
Interest accrued on loan		178		221
Other receivables		17,091		-
Other financial assets including derivatives-Staff Loans		647		-
Total		**41,240**		**28,681**

17 Other current assets

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
(Unsecured, considered good, unless otherwise specified)				
Advances				
Advances paid to vendors	3,19,635		1,98,024	
Loss allowance	(119)	3,19,516	(120)	1,97,904
Travel advance to employees		736		106
Employee related		88		90
Others		6		14
Prepaid expenses - Others		387		8,706
Total		**3,20,733**		**2,06,820**

18 Share Capital

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Authorized share capital				
64,74,40,000 (Previous year - 64,74,40,000 equity shares of ₹ 5 each) equity shares of ₹ 5 each		32,372		32,372
Total		**32,372**		**32,372**
Issued, subscribed and fully paid-up shares				
40,33,80,000 (Previous year - 40,33,80,000 equity shares of ₹ 5 each) equity shares of ₹ 5 each.		20,169		20,169
Total		**20,169**		**20,169**

Reconciliation of number of shares and amounts outstanding

Particulars	March 31, 2026		March 31, 2025	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares outstanding at the beginning of the year	40,33,80,000	20,169	20,16,90,000	20,169
Add : Share issued during the year	0	0	0	0
Less : Shares extinguished on splitting of share (Refer note 1 below)	0	0	20,16,90,000	0
Add : Equity share of ₹ 5/- each issued during the year on splitting (Refer note 1 below)	-	0	40,33,80,000	0
Less : Shares bought back during the year	0	0	0	0
Equity shares outstanding at the end of the year	**40,33,80,000**	**20,169**	**40,33,80,000**	**20,169**

Particulars	March 31, 2026		March 31, 2025	
Details of shareholding more than 5% shares in the Company	No. of shares	Percentage holding	No. of shares	Percentage holding
Shareholder	**Refer Note 2 below**			
President of India and his nominees	32,76,18,501	81.22%	34,21,81,966	84.83%

18 Share Capital (Contd..)

Disclosure of shareholding of promoters as at March 31, 2026 is as follows:

Particulars	March 31, 2026		March 31, 2025		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder	**Refer Note 2 below**				
President of India and his nominees	32,76,18,501	81.22%	34,21,81,966	84.83%	4.26%

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Particulars	March 31, 2025		March 31, 2024		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder					
President of India and his nominees	34,21,81,966	84.83%	17,10,90,983	84.83%	0.00%

Terms, Rights, Preferences and Restrictions attaching to each class of shares:

The Company has only one class of equity shares having par value of ₹ 5 each and is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

Sub-division & other Information

Note 1. On 27th December, 2024, the company sub-divided every 1 (one) Equity Share of the face value of ₹ 10/- each into 2 (Two) Equity Share of the Face value of ₹ 5/- each as approved by share holders on 28 November, 2024 by Postal Ballot. The record date for the share split was December 27, 2024.

Note 2. During the Q3 of FY 2024-25, as result of splitting of share of the company, every 1 (one) Equity Share of the face value of ₹ 10/- each sub divided into 2 (Two) Equity Share of the Face value of ₹ 5/- each. However, there is no percentage change in share capital of company as on 31.03.2025.

Offer for Sale by Promoters: The Govt of India (being Promoter of MDL) approved and initiated on 03.04.2025 an Offer for Sale (OFS), Promoter has sold 1,45,63,465 Equity Shares representing 3.61% of the equity share capital of the Company. The OFS pertains to a sale of existing equity shares held by the promoters and does not involve issuance of new shares or any proceeds to the company.

18A Other Equity

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
General Reserve	2,32,017	2,32,017
Capital Reserve	5	5
Indigenisation Fund	1,037	1,037
Capital Redemption Reserve	12,123	12,123
Retained Earnings	7,16,100	5,35,263
Other Comprehensive Income (OCI)	(6,506)	(6,626)
Foreign currency translation reserve on consolidation	543	-
Total	**9,55,319**	**7,73,819**

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

The description of the nature and purpose of reserve within equity is as follows:

Capital reserve: The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

Capital redemption reserve: These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

Other Comprehensive Income: These reserves are created on account of actuarial valuation of defined employee benefit plan and fair value of investments through OCI changes.

18 Share Capital (Contd..)

Indigenisation Fund: These fund was created as per Indigenisation policy for providing support for future indigenisation. No provision has been made since FY 2020-21.

Foreign Currency Translation Reserve: This reserve was created on consolidation of foreign subsidiary under IND AS 21.

Final Dividend: The Board has recommended the final dividend for FY 2025-26 of ₹ 18636 lakhs (i.e. ₹ 4.62 per share). This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

19A Borrowings - Non Current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Unsecured Interest bearing borrowings		7,203		-
Total		**7,203**		**-**

Note - Non-current borrowings have been obtained from Bank of Ceylon, and are repayable in 8 years in installment of USD 104167 per month from 27.03.2024 to 27.03.2032

19B Borrowings - Current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Unsecured Interest bearing borrowings		36,803		-
Total		**36,803**		**-**

Note - Current borrowings have been obtained from commercial banks and are repayable within 3 to 6 months. Interest rates for USD denominated loans were at 7.5% - 9.5% range, where as the LKR loans were at 9.0% -12.5% range

20 Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
i. Total outstanding dues of micro and small enterprises		-		-
ii. Total outstanding dues of creditors other than micro and small enterprises		2,413		2,263
(Deferred payment liability to a foreign supplier)				
Less: Amount payable within 12 months		(538)		(490)
Total		**1,875**		**1,773**

Ageing for trade payables-non-current outstanding as at March 31, 2026 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,875	1,875
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,875**	**1,875**

20 Trade payables - non-current (Contd..)

Ageing for trade payables-non-current outstanding as at March 31, 2025 is as follows: ₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,773	1,773
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1,773**	**1,773**

21 Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Security and other deposits		59		49
Total		**59**		**49**

22 Provisions - non-current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Employee benefits				
Post retirement benefit schemes				
Medical	10,880		10,429	
Gift card	154	11,034	109	10,538
Gratuity		5,129		
Leave salary encashment		13,384		12,359
Other provisions				
Provision for liquidated damages	1,106		1,106	
Provision for Onerous Contract	1,05,959		52,138	
Others	4,207	1,11,272	2,540	55,784
Total		**1,40,819**		**78,681**

23 Other non-current liabilities

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Funds received from customer for infrastructure projects	92,761		92,761	
Less: Transferred to fixed assets for capitalisation	(73,419)		(73,419)	
Less: Amortisation of deferred revenue	(8,055)	11,287	(7,369)	11,973
Deferred deposits		4		2
Total		**11,291**		**11,975**

24 Trade payables - current

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
Other vendors	4,16,046	3,50,653
Deferred payment liability to a foreign supplier	538	490
Total	**4,16,584**	**3,51,143**

Note - Refer note no. 41 for amount due to MSME

Ageing for trade payables-current outstanding as at March 31, 2026 is as follows: ₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	31,253	3,425	-	-	-	34,678
Others	3,88,505	28,059	20	-	-	4,16,584
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**4,19,758**	**31,484**	**20**	**-**	**-**	**4,51,262**

Ageing for trade payables-current outstanding as at March 31, 2025 is as follows: ₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	21,169	1,439	60	19	-	22,687
Others	3,45,409	5,443	109	175	7	3,51,143
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**3,66,578**	**6,882**	**169**	**194**	**7**	**3,73,830**

Supplier Finance Arrangements:

The Company participates in supplier financing arrangements through Trade Receivables Discounting System (TReDS) platforms, wherein suppliers may, at their discretion, discount their receivables with financial institutions.

Under these arrangements:

1. The Company's obligation to pay remains with the Company.
2. Payment terms with suppliers are not modified.
3. The Company does not provide any guarantee, security or credit enhancement to the financial institutions.

Terms and Conditions

The arrangements do not result in any extension of credit period beyond the original contractual terms agreed with suppliers.

1. Payments are made by the Company on the respective due dates.
2. The liability continues to be recognised as trade payable as the nature of the obligation remains unchanged

Particulars	As at 31.03.2026	As at 31.03.2025
Total payables under supplier finance arrangements		
– Due within 30 days	-	-
– Due beyond 30 days	-	-

25 Others financial liabilities - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Retention money payable		-		33
Interest payable on advances received from customer		5,786		1,972
Employee related		15,121		21,403
Others		17,086		2,100
Security and other deposits		433		399
Dividend Payable		68		22
Total		**38,494**		**25,929**

26 Other current liabilities

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Statutory dues		3,907		3,049
Deferred deposits		3		3
Total		**3,910**		**3,052**

27 Provisions - current

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Employee benefits				
Post retirement benefit				
Medical	1,018		1,133	
Gift card	22	1,040	32	1,165
Compensated absences		2,861		1,192
Gratuity		955		188
Other provisions				
Guarantee repairs		19,780		27,478
Total		**24,636**		**30,023**

28 Revenue from operations

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Contract revenue				
Ship construction		8,37,203		8,38,543
Offshore project		1,62,774		1,00,964
Heavy engineering		1,808		-
Sale of goods				
Sale of Stock-in-Trade		1,77,726		1,22,816
Others		6,649		2,577
Sale of Services				
Ship Repair		1,11,147		54,704
Other operating revenue				
Sale of scrap and stores	1,580		1,201	
Sale of services (others)	2,224		2,548	
Reversal of Liquidated damages	-		19,937	
Changes in Inventory of Scrap	(480)	3,324	(102)	23,584
Total		**13,00,631**		**11,43,188**

29 Other Income

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Interest from				
Deposits with banks	1,00,799		1,00,814	
Less: Interest liability to customer on advances	-		-	
	1,00,799		1,00,814	
On income tax refund	16		-	
Other interest	1,787	1,02,602	1,737	1,02,551
Liabilities / provisions no longer required written back		3,320		3,467
Insurance claims		24		-
Profit on Sale / scrapping of fixed assets (net)		204		79
Liquidated damages recovered				
Capital		88		121
Others		5,904		2,632
Miscellaneous income / recoveries		552		1,132
Amortisation gain on deferred deposits of vendors		1		6
Unwinding of lease charges - Land		1		-
Unwinding of lease charges - Vehicles		33		55
Amortisation of deferred revenue (customer funded assets)		687		687
Amortization of pre paid staff cost (Note 20.2)		23		
Net change in fair value of financial instrument at FVTPL		1		
Interest Income on deferred payment liability to foreign supplier		450		427
Foreign exchange variation (net)		50		-
Total		**1,13,940**		**1,11,157**

30 Cost of materials consumed

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Opening stock				
Raw materials, stores and spares	45,530		11,664	
Equipment for specific projects	3,49,209		4,91,042	
Stock-in-transit and materials pending inspection	69,528	4,64,267	69,156	5,71,862
Add: Purchases		3,65,387		3,47,061
		8,29,654		9,18,923
Less: Closing stock				
Raw materials, stores and spares	(54,497)		(43,849)	
Equipment for specific projects	(1,61,216)		(3,49,209)	
Stock-in-transit and materials pending inspection	(41,120)	(2,56,833)	(69,489)	(4,62,547)
		5,72,821		4,56,376
Less: Provision for obsolete stock		(276)		(295)
Less: Stores and spares consumption included in other expenses		(2,512)		(3,015)
Total		**5,70,033**		**4,53,066**

31 Employee benefit expenses

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
Salaries, wages, allowances and bonus	75,207	73,025
Pension	3,058	5,574
Contribution to provident fund	4,419	4,347
Workmen and staff welfare expenses	10,143	9,795
Gratuity	2,791	1,286
Encashment of Compensated absences	2,658	3,848
Total	**98,276**	**97,875**

32 Finance cost

₹ in lakhs

Particulars	March 31, 2026	March 31, 2025
Interest cost on deferred deposits of vendors	1	6
Interest cost on deferred payment liability to foreign supplier	450	427
Interest cost on customer advances (Refer Note)	5,273	1,967
Interest cost on lease	11	7
Interest cost on OD	53	
Interest cost on Loans	1,369	-
Total	**7,157**	**2,407**

Note:

This represents interest earned on customer advances and subsequently transferred to customer

33 Other expenses

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Repairs and maintenance:				
Buildings	1,204		1,371	
Plant and machinery	883		640	
Steam launches and boats, motor cars, lorries, etc.	1,368		888	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(88)	3,367	(286)	2,613
Power and fuel	2,429		1,965	
Technicians fees and other expenses	1,323		2,737	
Advising team fees and other expenses	430		847	
Facility hire	3,612		6,175	
Barges expenses	43,685		13,124	
Water expenses	366		314	
Rent	371		312	
Insurance	1,135		1,458	
Rates and taxes	1,663		1,370	
Bank charges and guarantee commission	231		366	
Printing and stationery	80		21	
Travelling expenses	3,228		1,467	
Yard Expense	196			
Business promotion expenses	631		1,147	

33 Other expenses (Contd..)

Particulars	March 31, 2026		March 31, 2025	
Sea trial, launching and commissioning expenses	705		1,459	
Corporate membership expenses	85		91	
Foreign exchange variation (net)	79		127	
Bad Debt	27		1,450	
Miscellaneous expenses	3,221		5,551	
Donation			-	
Pre-Contract expenses	9,946		3,680	
Auditors remuneration (Refer Note No. 42)	39		28	
Vehicle hire charges	66		85	
Legal, professional and consultant fees	15,824		1,739	
Books and periodicals	9		11	
Postage, telegrams and phones	142		240	
Training expenses	559		853	
CISF and security board expenses	3,426		3,277	
Directors fees and expenses	77		45	
Provision for obsolete stock	142		295	
Liquidated damages	-		5,704	
Consumption of stores and spares etc.	2,512		3,015	
Warranty Provision	6			
Staff Loan Amortization	16			
Borrowing Cost	22			
Amortisation / unwinding of prepaid deposits (MbPT)	199		-	
Corporate social responsibility expenses (Refer Note No. 50)	4,681	1,01,163	3,095	61,691
Total		**1,04,530**		**64,304**

Foreign Exchange loss for the period ended 31st March, 2026 is ₹ 894 lakhs and foreign exchange gain for previous year is ₹ 1508 lakhs on raw materials and project specific equipments has been considered in cost of material consumed.

Revenue Expenditure on Research and Development and allied expenses aggregating to ₹ 18594 lakhs (Previous year - ₹ 11429 lakhs) is reflected under respective various heads in the above note.

34 Provisions

₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
Doubtful debts / receivable		(2,941)		(2,859)
Guarantee repairs		(8,086)		13,109
Onerous Contracts		53,821		52,138
Inventory		(8,977)		9,046
Others		1,806		308
Total		**35,623**		**71,742**

35 Business Segment Reporting

a) The Parent Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Parent Company on operating segments under Ind AS 108.

b) For management purposes, the Parent Company is organized into two major segments – Shipbuilding and Submarine (New Construction and Repairs) and others.

c) There are no geographical segments within the business segments.

36 Contingent Assets, Contingent Liabilities and Commitments:

36.1 Amounts for which Company may be contingently liable:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
A.	**Contingent Assets**	-	-
B.	**Contingent Liabilities and Commitments**		
(i)	Estimated amount of contracts remaining to be executed on capital account.(Net of Advances)*	53,936	1,39,241
(ii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	60,323	74,205
	(b) Guarantees and counter guarantees	1,34,472	97,090
(iii)	Indemnity Bonds issued by the Group to customers (mainly Ministry of Defence) for various contracts.	24,73,195	34,87,506
(iv)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

36.2 Claims against the Group pending under litigation not acknowledged as debts in respect of claims made by:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
(i)	Suppliers and sub-contractors	22,694	1,432
(ii)	Others	5,230	5,217
(iii)	Interest on (i) and (ii) above	568	495
	Total	**28,492**	**7,144**

36.3 Amounts paid / payable by Group and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
(i)	Sales Tax *	1,16,057	1,16,075
(ii)	GST	5	5
(iii)	Excise Duty (including interest and penalties)		
	(a) On Vendors	230	230
	(b) On MDL	35	35
		265	**265**
	Total (i) + (ii)	**1,16,327**	**1,16,345**

* The above claim includes part payments of ₹ 659.55 lakhs made till 31.03.2026.

36 Contingent Assets, Contingent Liabilities and Commitments: (Contd..)

36.4 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
(i)	Service Tax (including interest and penalties)	4,722	4,713
	Total	**4,722**	**4,713**

* Appeal against disputed tax demand is settled.

36.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities ₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Custom Duty (Including Interest)	85	141

37.1 Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. But confirmation letters from all vendors are not received. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

37.2 Balances due to / from Indian Navy (Debtors) included in current assets / current liabilities/advances are subject to reconciliation and confirmation. Consequent adjustments thereof,if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

38 Normal Operating Cycle

The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

a) In case of Ship / Submarine Building and Ship / Submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract / Letter of Intent (LOI) to the date of expiry of guarantee period.

b) In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.

39 Employee Benefits as per Ind AS 19

39.1 Various benefits provided to employees as per IND AS 19 are classified as under:-

(I) Defined Contribution Plans ₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
(a) State Defined Contribution Plans		
(i) Employers' Contribution to Employees' State Insurance		
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.		
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.		
During the year, the Group has recognized the following amounts in the Profit and Loss Account:-		
1. Employers' Contribution to Provident Fund	5,644	4,347
2. Employers' Contribution to Employees' State Insurance	-	-
3. Employers' Contribution to EPS (Employees' Pension Scheme)	3,058	5,574
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	53	56

Retirement benefits in the form of Pension is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the respective fund is due. There are no obligations other than the contribution payable to the respective funds.

39 Employee Benefits as per Ind AS 19 (Contd..)

(II) Defined Benefit Plans

₹ in lakhs

Contribution to Gratuity Fund (Funded Scheme)	31st March, 2026	31st March, 2025
Actuarial valuation was performed by an actuary in respect of the aforesaid Defined Benefit Plans based on the following assumptions*:-		
1 Discount Rate (per annum)	7.36%	6.81%
2 Rate of increase in compensation levels	7.00%	7.00%

Gratuity liability is a defined benefit obligation as at end of each financial year and is provided for basis an actuarial valuation using projected unit credit method made at the end of each financial year. The Gratuity Fund is invested in a Group Gratuity-Cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Opening Balance	14,550	15,060
Add : Credit from Group	2,395	899
Add: Asset Transferred In/Acquisitions	39	-
Less : Amount paid towards claims	(1,533)	(2,439)
Add : Interest credited	991	1,030
Add: Return on Plan Assets, Excluding Interest Income	99	-
Closing Balance	16,541	14,550
Present value of past service benefit	16,169	14,738

39.2 Actuarial valuation of liability towards Gratuity

Defined Benefit Plans Gratuity - as per actuarial valuation

The Ind AS-19 Employee Benefits stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on Government Bonds. The currency and term of the Government Bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used.

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
A	**Permanent Employees**		
i)	**Assumptions***		
	a) Discount Rate	7.36%	6.81%
	b) Salary Escalation	7.00%	7.00%
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	7.00%
	d) Expected average remaining working lives of employees (years)	12	13
ii)	**Table showing changes in present value of obligations**		
	Present value of obligations as at beginning of year	18,740	15,130
	Interest cost	1,570	990
	Current service cost	913	747

39 Employee Benefits as per Ind AS 19 (Contd..)

Sr No.	Particulars	31st March, 2026	31st March, 2025
	Past service cost	1,287	-
	Liability Transferred In/ Acquisitions	39	-
	Benefits paid	(1,897)	(2,439)
	Actuarial (gain) / loss on obligations	131	309
	Present value of obligations as at end of year	20,783	14,738
iii)	**Table showing changes in the fair value of plan assets**		
	Fair value of plan assets at beginning of year	14,550	15,060
	Return on plan assets	99	1,089
	Contributions	2,395	899
	Benefits paid	(1,533)	(2,439)
	Interest Income	991	
	Assets Transferred In/Acquisitions	39	-
	Actuarial gain / (loss) on plan assets	-	(59)
	Fair value of plan assets at the end of year	16,541	14,550
iv)	**Table showing fair value of plan assets**		
	Fair value of plan assets at beginning of year	14,550	15,060
	Actual return on plan assets	99	1,089
	Contributions	2,395	899
	Benefits paid	(1,533)	(2,439)
	Fair value of plan assets at the end of year	16,541	14,550
	Funded status (Deficit)/Surplus	(4,242)	(188)
	Excess of Actual over estimated return on plan assets	-	-
v)	**Actuarial gain / loss recognized**		
	Actuarial (gain) / loss for the year - obligation	131	368
	Actuarial (gain) / loss for the year - plan assets	(99)	-
	Total (gain) / loss for the year	32	368
	Actuarial (gain) / loss recognised in the year	32	368
	Un-recognised actuarial (gains) / losses at the end of year	-	-
vi)	**The amounts to be recognized in the Balance Sheet**		
	Present value of obligations as at the end of year	20,783	14,738
	Fair value of plan assets as at the end of the year	16,541	14,550
	Funded status	(4,242)	(188)
	Net Asset / (Liability) recognized in balance sheet	(4,242)	(188)
vii)	**Expenses recognized in Statement of Profit and Loss**		
	Current service cost	913	747
	Past service cost	1,287	-
	Interest cost	579	(99)
	Expected return on plan assets	-	-
	Expenses recognized in Statement of Profit and Loss	2,779	648

39 Employee Benefits as per Ind AS 19 (Contd..)

Sr No.	Particulars	31st March, 2026	31st March, 2025
viii)	**Expenses recognized in Other Comprehensive Income**		
	Actuarial (gain) / loss recognised in the year	32	368
ix)	**Current/Non-Current Liability**		
	Current Liability	(372)	1,929
	Non-Current Liability	4,614	12,809
	Present Value of the Defined Gratuity Benefit Obligation	20,783	14,738

Note: While the consolidated statement of Profit and Loss includes the Gratuity and Provident fund expenses of CDPLC from the date of acquisition(19.03.2026), the figures disclosed in the notes specifically the opening and closing reconciliations of the present value of Defined Benefit Obligation reflect the entire financail year. This is to provide the shareholders with a comprehensive view of the total retirement benefit risks and liabilities assumed by the group.

Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

Impact on Defined Benefit Obligation ₹ in lakhs

Particulars	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 6.86%)	689		643	
(Previous year - 6.31%)	4.26%		4.36%	
if Discount rate is increased to 7.86%)		642		598
(Previous year - 7.31%)		3.97%		4.06%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.50%)	385		349	
(Previous year - 7.50%)	2.38%		2.37%	
if Discount rate is decreased to 6.50%)		380		339
(Previous year - 6.50%)		2.35%		2.30%

₹ in lakhs

Maturity Analysis of the Benefit Payments** Projected Benefits Payable in Future Years From the Date of Reporting	31st March, 2026	31st March, 2025
1st Following Year	1,667	1,929
2nd Following Year	1,176	1,511
3rd Following Year	1,235	1,259
4th Following Year	1,151	1,049
5th Following Year	1,026	850
Sum of Years 6 To 10	5,978	4,723
Sum of Years 11 and above	22,004	18,603

39 Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
B	**Fixed Term Employees**		
i)	**Assumptions***		
	a) Discount Rate	5.72%	-
	b) Salary Escalation	7.00%	-
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	-
	d) Expected average remaining working lives of employees (years)	1	-
ii)	**Table showing changes in present value of obligations**		
	Present value of obligations as at beginning of year	0	-
	Interest cost	33	-
	Current service cost	91	-
	Past service cost	1,744	-
	Liability Transferred In/ Acquisitions	-	-
	Benefits paid	(177)	-
	Actuarial (gain) / loss on obligations	(53)	-
	Present value of obligations as at end of year	1,638	-
iii)	**Expenses recognized in Statement of Profit and Loss**		
	Current service cost	91.00	-
	Past service cost	1,744	-
	Interest cost	33	-
	Expected return on plan assets	-	-
	Expenses recognized in Statement of Profit and Loss	1,868	-
iv)	**Expenses recognized in Other Comprehensive Income**		
	Actuarial (gain) / loss recognised in the year	(53)	
v)	**The amounts to be recognized in the Balance Sheet**		
	Expenses recognized in Statement of Profit and Loss	1,868	
	Expenses recognized in Other Comprehensive Income	(53)	-
	Benefit Paid	(177)	-
	Net Asset / (Liability) recognized in balance sheet	1,638	-
vi)	**Current/Non-Current Liability**		
	Current Liability	1,327	-
	Non-Current Liability	311	-
	Present Value of the Defined Gratuity Benefit Obligation	1,638	-

39 Employee Benefits as per Ind AS 19 (Contd..)

Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

₹ in lakhs

Impact on Defined Benefit Obligation	31st March, 2026	31st March, 2025
Defined Benefit Obligation on Current Assumptions	1,638	-
Delta Effect of +1% Change in Rate of Discounting	(3)	-
Delta Effect of -1% Change in Rate of Discounting	3	-
Delta Effect of +1% Change in Rate of Salary Increase	3	-
Delta Effect of -1% Change in Rate of Salary Increase	(3)	-
Delta Effect of +1% Change in Rate of Employee Turnover	(0)	-
Delta Effect of -1% Change in Rate of Employee Turnover	0	-

Maturity Analysis of the Benefit Payments** Projected Benefits Payable in Future Years From the Date of Reporting	31st March, 2026	31st March, 2025
1st Following Year	1,327	-
2nd Following Year	308	-
3rd Following Year	20	-
4th Following Year	3	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

39.3 Actuarial valuation of liability towards Leave Encashment

Defined Benefit Plan Leave Encashment as per actuarial valuation

The Ind AS-19 Employee Benefits stipulates that the rate used to discount Post Employment Benefit Obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on Government bonds. The currency and term of the Government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used.

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
i)	**Assumptions***		
	Discount rate	7.36%	6.81%
	Rate of increase in compensation levels	7.00%	7.00%
	Expected average remaining working lives of employees (years)	7	13
ii)	**Table showing changes in present value of obligations**		
	Present value of obligation as at the beginning of the year	13,551	12,567
	Interest cost	923	848
	Current service cost	680	949
	Past service cost - Vested Benefit	2137	-
	Benefits paid	(615)	(1,237)
	Actuarial (gain) / loss on obligations	(430)	423
	Present value of obligation as at the end of the year	16,245	13,551

39 Employee Benefits as per Ind AS 19 (Contd..)

Sr No.	Particulars	31st March, 2026	31st March, 2025
iii)	**Table showing changes in the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	13,365	12,603
	Expected return on plan assets	163	911
	Interest Income	910	
	Contributions	2,571	1,027
	Benefits paid	(615)	(1,237)
	Actuarial gain / (loss) on plan assets	0	61
	Fair value of plan assets at the end of the year	16,394	13,365
iv)	**Tables showing fair value of plan assets**		
	Fair value of plan asset at the beginning of the year	13,365	12,603
	Actual return on plan assets	163	911
	Contributions / (withdrawals)	2,571	1,027
	Benefits paid	(615)	(1,237)
	Actuarial gain / (loss) on plan assets	0	61
	Fair value of plan asset at the end of the year	16,394	13,365
	Funded Status ((Surplus) / Deficit)	(149)	186
v)	**Actuarial gain / loss recognized**		
	Actuarial (gain) / loss for the year - obligation	(430)	423
	Actuarial (gain) / loss for the year - plan assets	(163)	-
	Total (gain) / loss for the year	(593)	423
	Actuarial (gain) / loss recognised in the year	(593)	423
	Un-recognised actuarial (gains) / losses at the end of year	-	-
vi)	**The amounts to be recognized in the Balance Sheet**		
	Present value of obligation as at the end of the year	16,245	13,551
	Fair value of plan assets as at end of the year	16,394	13,365
	Funded status	149	(186)
	Unrecognized actuarial (gains) / losses	-	-
	Net asset / (liability) recognized in balance sheet	149	(186)
vii)	**Expenses recognized in Statement of Profit and Loss**		
	Current service cost	680	949
	Past service cost	2,137	-
	Net Interest cost	13	-63
	Actuarial (gain) / loss recognised in the year	(593)	362
	Expenses recognized in the Statement of Profit and Loss	2,236	1,248
viii)	**Current/Non-current Liability**		
	Current Liability	(149)	1,192
	Non-current Liability	16,394	12,359
	Present Value of the Defined Leave Encashment Benefit Obligation	16245	13,551

39 Employee Benefits as per Ind AS 19 (Contd..)

Sensitivity of Leave Encashment Benefit Liability to key assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

Impact on Defined Benefit Obligation ₹ in lakhs

Particulars	31st March, 2026		31st March, 2025	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 6.86%)	644		660	
(Previous year - 6.31%)	3.98%		4.87%	
if Discount rate is increased to 7.86%)		599		612
(Previous year - 7.31%)		3.71%		4.52%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.50%)	643		656	
(Previous year - 7.50%)	3.98%		4.84%	
if Discount rate is decreased to 6.50%)		604		614
(Previous year - 6.50%)		3.74%		4.53%

39.4 Actuarial valuation of liability towards Provident Fund

Defined Benefit Plan Provident Fund as per actuarial valuation

In accordance with Indian law, all eligible employees of the Group in India are entitled to receive benefits under the Provident Fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Group to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Group is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by Group and the shortfall of interest, if any are recognised as an expense in the statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the Guaranteed interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below: ₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Fair value of plan assets	81,599	78,112
Present value of defined benefit obligations	(81,599)	(78,112)
Shortfall	-	-

The plan assets have been primarily invested in Government, Public Sector and Corporate Bonds.

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	31st March, 2026	31st March, 2025
Provident Fund interest rate guarantee	8.25%	8.25%
Salary increase rate	7%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	7.36	6.81%
Expected average remaining working lives of employees (years)	12	13

*Assumptions considered in Actuarial Valuation of Defined Benefit Obligations of the Parent Company

**Sensitivity and Maturity Analysis of Defined Benefit Obligations of the Parent Company

40 Provisions made, utilised, written back :

₹ in lakhs

Sr No.	Particulars	31st March, 2026	31st March, 2025
a)	**Provision for Custom Duty Demand:**		
	Opening Balance	-	426
	Additions	-	-
	Utilised/Adjusted	-	(426)
	Closing Balance	**-**	**-**
b)	**Provision for Liquidated Damages:**		
	Opening Balance	1,106	18,983
	Additions	0	-
	Adjusted	0	(17,877)
	Closing Balance	**1,106**	**1,106**
c)	**Provision for Guarantee Repairs:**		
	Opening Balance	27,478	14,389
	Additions	10,420	14,118
	Utilised/Adjusted	(18,118)	(1,029)
	Closing Balance	**19,780**	**27,478**
d)	**Provision for Expected Losses**		
	Opening Balance	52,138	-
	Additions	63,425	52,138
	Utilised/Adjusted	(9,604)	-
	Closing Balance	**1,05,959**	**52,138**
e)	**Other Provisions:**		
	Opening Balance	2,899	2,632
	Additions	9,230	12,504
	Utilised/Adjusted	(7,564)	(12,237)
	Closing Balance	**4,565**	**2,899**

41 Details of dues to Micro and Small, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2026 based on available information with the Group are as under:

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
The princpal amount and the interest due there on remaining unpaid to any supplier as at the end of the year		
- Principal	1,038	1,794
- Interest	-	-
The amount of interest paid by the buyer in term of section 16 of the Micro, small, Medium Enterprise Development Act, 2006	-	-
The amount of interest due and Payable for the period of Delay in making Payment (which have been paid but beyond the appionted day during the year) but without adding the interest specified under MSMED Act, 2006	24	32
Amount of payment Made to the supplier beyond the Appointed day during the year	210	1,086
The amount of interes accured and remaining unpaid at the end of each accounting year	24	32
The Amount of further interest remainig due an 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 MSMED ACT, 2006.	56	32

42 Other Expenses include:

₹ in lakhs

Particulars	31st March, 2026	31st March, 2025
Remuneration to the Statutory Auditors		
i) Audit fees	37	26
ii) Tax audit fees	2	2
Total	**39**	**28**

43 Russian (USSR) deferred State Credit

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the Parent Company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 16,320 Lakhs, payable over 45 years from 1992-93, in equal annual installments of ₽ 214 Lakhs was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 538 Lakhs (Previous year - ₹ 490 Lakhs). The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2026. These payments are reimbursable by Indian Navy. Accordingly, ₹ 5,916 Lakhs (amortised costs of ₹ 2413 Lakhs) held at foreign supplier deferred credit as on 31.03.2026

44 Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under section 129 of the Companies Act, 2013 has not been disclosed in the financial statements.

i) Goods purchased under broad heads

ii) Value of import on CIF basis

iii) Expenditure on foreign currency

iv) Total value of imported raw material

v) Earning in foreign currency

45 Related Party Disclosure

As MDL is a Government entity under the control of Ministry of Defence (MoD), the Parent company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with Government and Government related entities

i) Key Managerial Personnel

a) Functional Directors & Company Secretary

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2026		
			Short term employee benefits*	Post employment benefits**	Total*
Capt. Jagmohan	(From 21.04.2025)	Chairman & Managing Director	70	9	79
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	93	14	107
Cdr.Vasudev Puranik, IN (Retd.)	(From 09.06.2022)	Director (Corporate Planning & Personnel)	102	16	118
Shri Shailesh Bhalachandra Jamgaonkar	(From 25.03.2025)	Director (Submarine & Heavy Engineering)	65	8	73
Shri Ruchir Agrawal	(From 07.03.2025)	Director (Finance)	71	8	79
Shri Lalatendu Acharya	(From 01.06.2025)	Company Secretary	19	3	22
Smt. Madhavi Kulkarni	(Upto 31.05.2025)	Company Secretary	4	1	5
Shri Sanjeev Singhal (Retd.)	(Upto 28.02.2025)	Director (Finance)	27	6	33
Cdr. Jasbir Singh, IN (Retd.)	(Upto 31.10.2024)	Director (Submarine & Heavy Engineering)	0	7	7

45 Related Party Disclosure (Contd..)

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2025		
			Short term employee benefits*	Post employment benefits**	Total*
Cdr. Jasbir Singh, IN (Retd.)	(Upto 31.10.2024)	Director (Submarine & Heavy Engineering)	31	4	35
Shri Sanjeev Singhal (Retd.)	(Upto 28.02.2025)	Director (Finance)	135	8	143
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	76	6	82
Cdr.Vasudev Puranik, IN (Retd.)	(From 09.06.2022)	Director (Corporate Planning & Personnel)	87	7	94
Smt. Madhavi Kulkarni	(From 01.12.2023)	Company Secretary	30	3	33
Shri Shailesh Bhalachandra Jamgaonkar	(From 25.03.2025)	Director (Submarine & Heavy Engineering)	1	-	1
Shri Ruchir Agrawal	(From 07.03.2025)	Director (Finance)	3	-	3

*Short term employee benefit include Income under section 17(1) and 17(2)

** Post employment benefit includes Company Contribution Towards PF & Pension.

Note- PRP amount has been paid in Jan. '26 to Shri Sanjeev Singhal & pension arrears (3% differential) have been transferred to Trust.

b) PART TIME NON-OFFICIAL DIRECTORS

₹ in lakhs

Particulars	Appointment	Designation	Sitting Fees	
			31st March, 2026	31st March, 2025
Shri. Dattaprasad Prabhakar Kholkar	(From 23.02.2023)	Independent Director	7	8
Shri. Chandu Sambasiva Rao	(From 22.02.2024)	Independent Director	5	5
Dr. Vivek Atul Bhuskute	(From 21.04.2025)	Independent Director	4	-
Shri. Kedar Nath Gupta	(From 21.05.2025)	Independent Director	4	-
Smt. Veni Thapar	(From 21.04.2025)	Independent Director	5	-
Shri. Mallikarjunarao Bhyrishetty	(Upto 23.12.2024)	Independent Director	-	8
Smt. Neeru Singh Jagjeet Kaur	(Upto 23.02.2023)	Independent Director	-	6

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person are Nil (Previous Year: Nil)

ii) Government related entities where significant transactions carried out

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

a) Ministry of Defence

₹ in lakhs

Particulars	Year ended	Revenue from related party	Amounts receivable /(payable) by related parties	Dividend paid/ payable
Ministry of Defence	31st March,2026	11,07,722	2,86,546	62,936
	31st March,2025	10,31,535	1,47,832	60,395

iii) Details of Subsidiary Company/Associate Entities and their Subsidiaries:

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.****	31st March,2026	550
	31st March,2025	4,754

****Other transaction includes rent, sales & amount receivable are not signficant in nature.

These transactions are conducted in the ordinary course of the company business.

45 Related Party Disclosure (Contd..)

b) Colombo Dockyard PLC (Subsidiary)

Particulars	Year ended	Dividend
Colombo Dockyard PLC	31st March,2026	-
	31st March,2025	-

c) Step Down Subsidiaries

₹ in lakhs

Particulars	Financial Dealings	Year ended 31st March, 2026	Year ended 31st March, 2025
Dockyard General Engineering Services (Pvt) Ltd	Heavy Engineering Income	221	-
	Fess for management services	6	-
	Lease rental income	17	-
	Dividend income	703	-
	Purchase of materials	1	-
	Obtaining sub contracting services	91	-
	Transport cost	118	-
Ceylon Shipping Agency (Pte) Ltd	Purchase of Material	4,225	-
Dockyard Total Solutions (Pvt) Ltd.	Supply of multi skilled labour	1,613	-

46 Earnings per share (EPS)

₹ in lakhs

	Particulars	31st March, 2026	31st March, 2025
	Earning Per Share (EPS) - Basic and Diluted		
	Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	2,58,327	2,41,351
	Adjustment to Restated Net Profit / (Loss):		
	None		
A	Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)	2,58,327	2,41,351
B	Weighted average number of equity shares for calculating basic EPS	40,33,80,000	40,33,80,000
C	**EPS (₹) - Basic (A/B)**	**64.04**	**59.83**
D	Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)	2,58,327	2,41,351
	Weighted average number of equity shares	40,33,80,000	40,33,80,000
	Effect of dilution:	-	-
E	Weighted average number of equity shares for calculating diluted EPS	40,33,80,000	40,33,80,000
F	**EPS (₹) - Diluted (D/E)**	**64.04**	**59.83**

47 Fair Value Measurement

Financial Instrtuments by Category

₹ in lakhs

Particulars	31st March 2026			31st March, 2025		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Loan			4,345			2,000
Security Deposits	-	-	469	-	-	461
Russian Deferred Debit	-	-	2,413	-	-	2,263
Financial Liabilities						
Loan			43,282			
Russian Deferred Credit	-	-	2,413	-	-	2,263
Security Deposits	-	-	59	-	-	49

47 Fair Value Measurement (Contd..)

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of input used in determining fair value, the group has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Financial assets and liabilities measured at amortised cost ₹ in lakhs

Particulars	Fair value Hierarchy	31st March 2026		31st March, 2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Loan	Level 3	4,345	4,345	2,000	2,000
Security deposits	Level 3	469	469	461	461
Russian Deferred Debit	Level 3	5,916	2,413	5,880	2,263
Financial liabilities					
Loan	Level 2	43,282	43,282	-	-
Russian Deferred Credit	Level 3	5,916	2,413	5,880	2,263
Security Deposits	Level 3	65	59	54	49

48 Financial risk management

a) Credit Risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade Receivables and contract asset

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (being department of Govt. of India), hence the credit risk is considered low. Further the Group receives advance against orders which also mitigates the credit risk.

48 Financial risk management (Contd..)

ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the Group's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investemtnt of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public / private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

b) Liquidity Risk

Liquidity risk is 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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Group maintains sufficient cash and liquid investments available to meet its obligation.

The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

The Group considers supplier finance arrangements as part of its trade payables and manages the same within its overall liquidity risk management framework.

As at 31 March 2026, the Group does not expect any additional liquidity risk arising from such arrangements.

c) Market Risk

i) Foreign currency risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk since it imports components from foriegn vendors. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (`). In most of the Contracts, the gains / losses from forex exchange fluctuations are passed on / borne by the customer of the Group. Therefore, the foreign exchange risk and sensitivity of the Group is Nil.

ii) Foreign Currency Risk Exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

₹ in lakhs

Particulars	EUR	GBP	NOK	SGD	SEK	USD
Financial Liabilities						
31st March 2026	22,890	78	-	849	-	61,756
31st March 2025	20,319	115	-		-	30,948

48 Financial risk management (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 Profit Before Tax	
		31st March, 2026	31st March, 2025
EUR Sensitivity*			
	INR/EUR increases by 5%	1,145	1,016
	INR/EUR decreases by 5%	(1,145)	(1,016)
GBP Sensitivity*			
	INR/GBP increases by 5%	4	6
	INR/GBP decreases by 5%	(4)	(6)
USD Sensitivity*			
	INR/USD increases by 5%	3,088	1,547
	INR/USD decreases by 5%	(3,088)	(1,547)
SGD Sensitivity*			
	INR/USD increases by 5%	42	-
	INR/USD decreases by 5%	(42)	-
* Holding all other variables constant			

49 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objectives of the Group's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

50 Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the period is detailed as follows:

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2025-26	2024-25
Clause (i)	Eradicating hunger, poverty and malnutrition,promoting health care, sanitation and making available safe drinking water.	3,133	2,191
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	719	628
Clause (iv)	Ensuring environmental sustainability, ecological balance, protection of flauro & Fauna, animal welfare, agro forestry, conservation of natural resources, maintaing quality of soil, air and water including constribution to the Clean Ganga Fund set by Central Government for rejuvenation of river Ganga	75	-
Clause (v)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public liabraries, promotion and development of traditional arts and handicrafts	200	50
Clause (viii)	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes,other backward classes,minorities and women;	75	-
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	251	293
	Total	**4,453**	**3,162**

₹ in lakhs

Particulars	2025-26	2024-25
Unspent amount brought forward	-	215
Amount required to be spent by the Group during the period	4,528	3,051
Amount spent during the period (incl. Administration Expenses)	4,681	3,310

CSR Liability Movement Statement As on 31.03.2026

Particulars	₹ in lakhs
Amount b/f from previous year/s	-
Amount Spent on CSR Expenses during the FY 2025-26	3,576
Unspent amount c/f to next year	1,105

₹ in lakhs

Amount Unspent					
Total Amount spent for the year	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,681	1,105	23/04/2026 - ₹ 938 28/04/2026 - ₹ 167	-	-	-

51 Additional Notes to the Consolidated Financial Statements

51.1 Interest in Associate

Name of the Company	Country of Incorporation	% of Ownership as at 31st March, 2026	% of Ownership as at 31st March, 2025
Goa Shipyard Limited	India	47.21%	47.21%

51.2 Interest in Subsidiary

Name of the Company	Country of Incorporation	% of Ownership as at 31st March, 2026	% of Ownership as at 31st March, 2025
Colombo Dockyard Public Ltd Company	Sri Lanka	51%	-

51.3 Disclosure of Additional Information pertaining to the Parent Company, Associate and Subsidiary

₹ in lakhs

Name of the Company	Share of Profit/(Loss) 31st March, 2026					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	94.3%	2,43,031	-379%	144	94.33%	2,43,175
Goa Shipyard Limited	6.1%	15,648	476.32%	(181)	6.00%	15,467
Colombo Dockyard Public Ltd Company	-0.3%	(843)	2.63%	(1)	-0.33%	(844)
Total	**100%**	**2,57,836**	**100%**	**(38)**	**100%**	**2,57,798**

₹ in lakhs

Name of the Company	Share of Profit/(Loss) 31st March, 2025					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	94.36%	2,27,734	53.50%	(275)	94.45%	2,27,459
Goa Shipyard Limited	5.64%	13,617	46.50%	(239)	5.55%	13,378
Total	**100%**	**2,41,351**	**100%**	**(514)**	**100%**	**2,40,837**

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

53 Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-25	-	-	-	-
Sep-25	-	-	-	-
Dec-25	-	-	-	-
Mar-26	-	-	-	-

Parent Company has not availed any fund based facility during the year. Parent Company is availing only non-fund based facility from the bank.

54 Disclosure of Relationship with Struck off Companies is as under

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31st March, 2026	31st March, 2025	
SHINE INDUSTRIES	Vendor	(3)	(3)	-
MACHINE TOOLS PROTO TYPE FACTORY	Vendor	186	186	-
THANE HEALTH CARE HOSPITAL	Vendor	(2)	(9)	-
BEST AND CROMPTON ENGG LTD	Vendor	-	(4)	-
NILKAMAL BITO STORAGE SYSTEMS	Vendor	0.03	0.03	-
QUANTEL ELECTRONICS (INDIA) PRIVATE	Vendor	(1)	(1)	-

Details of Struck-off investors holding equity shares in the Parent Company

Amount in ₹

Name of the Struck off Company	March 31, 2026		March 31, 2025	
	No. of Shares held	Paid up share capital (₹)	No. of Shares held	Paid up share capital (₹)
JAYCEE SECURITIES PVT LTD	10	50	10	50
KOTECHA ASSETIC HEIGHTS LIMITED	40	200	-	-
CHITRAPURI MERCHANTS PVT LTD	90	450	-	-
ACVC FOREX PRIVATE LIMITED	10	50	-	-
J M C SECURITIES PVT LTD	500	2,500	-	-
STRATEGIC EXIM PVT. LTD.	4	20	-	-
H P INVESTMENTS PVT LIMITED	215	1,075	360	1,800
COASTAL INDUSTRIAL FINANCE LTD	53	265	-	-
OPUS SOFTTECH SOLUTIONS PRIVATE LIMITED	2,000	10,000	2,000	10,000
PARADIGAM FOODS & BIO-TECH PRIVATE LIMITED	200	1,000	200	1,000
CONCHEM CONSTRUCTION PRIVATE LIMITED	15	75	-	-
CHRONICLE CORPORATE MENTORS PRIVATE LIMITED	75	375	80	400
A C MODERN BUILDERS PVT LTD	155	775	155	775
SILK ROUTE ESTATE PRIVATE LIMITED	1,050	5,250	-	-
RENUKA REALTECH PRIVATE LIMITED	300	1,500	-	-
GENNEX CONSULTANTS PRIVATE LIMITED	6	30	-	-
SAICAD SYSTEMS INDIA PRIVATE LIMITED	400	2,000	400	2,000
INDIA SPINTEX LIMITED	6,600	33,000	7,000	35,000
PRAKASH SECURITIES PVT LTD	2,000	10,000	-	-

Note: The Company does not have any relationship with the above mentioned struck-off companies

55. Key Financial Ratios: Consolidated

Sr No.	Particulars	Numerator	Denominator	Year Ended Audited March 31, 2026	Year Ended Audited March 31, 2025	% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
a.	Debt - Equity Ratio (in times)	Debt	Equity	0.04	-	-	-
b.	Debt Service Coverage Ratio (in times)	Earnings Before Interest and Tax (EBIT)	Interest	46.23			
c.	Current Ratio (in times)	Current Assets	Current Liabilities	1.40	1.25	12.58%	-
d.	Trade Receivables turnover Ratio (in times)	Revenue from Operation	Average Account Receivables	7.01	7.75	-9.51%	-
e.	Inventory Turnover Ratio	Cost of materials consumed	Average Inventory	1.59	0.88	80.27%	Change due to increase in consumption of Inventory towards Shipbuilding projects
f.	Net profit margin (%)	Profit for the year (PAT)	Revenue from operations	19.86%	21.11%	-5.91%	-
g.	Trade Payables Turnover Ratio (in times)	Cost of materials consumed	Average Trade Payables	1.38	1.10	24.54%	-
h.	Net Capital Turnover Ratio (in times)	Revenue from Operation	Average Working Capital	2.30	2.84	-18.78%	-
i.	Return on Capital Employed (%)	Earnings Before Interest and Tax (EBIT)	Capital Employed	33.14%	38.86%	-14.74%	-
j.	Return on Equity Ratio (%)	Profit after tax (PAT)	Average Shareholder's Equity / Net Worth	29.20%	34.03%	-14.21%	-

56 National Institute For R&D in Defence Ship Building (NIRDESH) was established on 20th November, 2010 as a society with objective of conducting research in defence ship building and related areas. Currently, the members of NIRDESH include four PSU shipbuilding companies (MDL, GRSE, GSL & HSL) and co-opted members of Indian Navy, Coast Guard and DRDO. The society is headed by CMD, MDL and Director (Shipbuilding) MDL is designated as Director (NIRDESH). The total capital contribution paid by Parent Company is ₹ 1,781.71 Lakhs and 2,097.79 Lakhs is contribution payable to NIRDESH as on 31-03-2026, which is reflected under head Trade Payable. The total amount of ₹ 3,879.51 Lakhs has already been charged to expenditure in earlier years. During FY 2024-25 NIRDESH has initiated three (3) research & development projects by inviting proposal and placing purchase orders on startup firms. The expected date of completion is October-2026.

57 As of March 31, 2025, the books of accounts reflects liquidated damages of ₹ 94,005 Lakhs for Project P17A out of which ₹ 52,085 Lakhs were towards 2nd and 3rd ship, in anticipation of delay of five months each. However, the second ship was delivered on 1st July, 2025 with actual delay of three months and one day and third ship was delivered on 28th November, 2025 with actual delay of one month and 28 days, both after considering a grace period of one month. Consequently, excess liquidated damages of ₹ 26,247 Lakhs have been reversed and adjusted in revenue. As on 31st March, 2026 LD of Project P17A stood at ₹ 67,758 Lakhs

58 The Parent Company has incurred an expenditure of ₹ 10,060 lakhs during FY 2025-26 (Previous year ₹ 3,572 Lakhs), in accordance with the approval granted by the Board at its meeting held on 26.07.2023, towards the development of concept and design for tendering/acquiring of a future contract. Since the contract has not yet been finalised, no revenue has been recognised during the year and the entire amount has been charged to Statement of Profit & Loss.

59 The project cost as estimated on 31.03.2026 for certain ongoing projects is likely to exceed the contractual revenue from these contracts, therefore difference between Estimated project cost and Contractual revenue needs to be provided as expected loss on onerous contracts. The expected loss arising from such contracts is required to be recognized in the current financial statements. The total estimated loss is proportionately adjusted through revenue, based on Percentage completion Method as on 31st March, 2026 and the balance loss, is recognised by creating a provision for expected loss on onerous contracts. The total estimated loss is ₹ 1,17,972 Lakhs, of which ₹ 12,013 Lakhs is adjusted through revenue, and provision is made for balance loss of ₹ 1,05,959 Lakhs.

60 In certain cases/yards, project related inventory has remained non-moving for several years following project completion. Consequently till March 31, 2025, a provision of ₹ 9045.67 lakhs was created for inventory pertaining to completed projects/yards to ensure accurate valuation. During the FY 2025-26, a technical committte was formed to evaluate inventory obsolescence of Inventory. Following the committee recomendations, the existing inventory provision has been fully reversed as of year end FY 2025-26.

61 Pursuant to the contract amendment of P75 project, additional revenue amounting to ₹ 12,328 Lakhs have been recognised during the period.

62 The Government of India has enacted four Labour Codes consolidating existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has considered and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs. Considering the non-recurring nature of this impact, the Group has presented such incremental impact under “employees benefit expenses” in the statement of profit and loss for the year ended March 31, 2026. The Group continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

63 A In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped / reclassified, wherever considered necessary to conform to current year presentation.

63 B Use of Funds:

The Group has used funds for the purpose for which they were borrowed from banks and financial institutions during the year.

63 C Change due to revaluation:

During the year parent company has not revalued its Property Plant and Equipment (PPE) and intangible assets.

63 D Other additional regulatory disclosures as required under Schedule III

i) Valuation by registered valuer:

During the year the parent company has not revalued its property, plant and equipment or intangible assets.

ii) Loans and advances

The Group has not granted any loans and advances in the nature of loans to promoters, directors, Key Managerial Personnel (KMPs) and the related parties, repayable on demand or granted without specifying terms.

iii) Benami Property:

No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1986 (45 of 1988) and the rules made there under.

iv) Wilful Defaulter:

The Group has not been declared as wilful defaulter by any bank or financial institution or any other lander during the year.

v) Registratlon of Charges or satisfaction with Register of Companies (ROC):

There are no charges or satisfaction of charges pending for registration with the Registrar of Companies (ROC) beyond the statutory period.

vi) Comptiance wlth number of Layer of Companies:

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules 2017.

vii) Scheme of arrangement:

During the year there is no Scheme of Anrrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the Group

viii) Undisglosed income:

During the year the Group has not disclosed any income in terms of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment under the Income Tax Act 1961.

ix) Virtual Currency:

The Group has not traded or invested in Crypto currently or Virtual Currency during the financial year.

As per our report of even date

SARDA & PAREEK LLP
Chartered Accountants
Firm Registration No. 109262W/W100673

Sd/-
CA Niranjan Joshi
Partner
Membership No. 102789

30th April, 2026
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Capt. Jagmohan (Retd.)
Chairman and Managing Director
DIN - 08630668

Sd/-
Ruchir Agrawal
Director (Finance) & CFO
DIN - 10166533

Sd/-
Lalatendu Acharya
Company Secretary
FCS-6569

Notice of Annual General Meeting

NOTICE is hereby given that the 93rd Annual General Meeting (AGM) of the members of Mazagon Dock Shipbuilders Limited ("the Company") will be held on Thursday, 27 August 2026 at 11:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS

(1) To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 March 2026 and the Reports of the Board of Directors and Auditors thereon including comments of the Comptroller & Auditor General of India, if any.

(2) To declare final dividend of ₹4.62 per equity share of ₹5/- each (i.e. @ 92.4%) for the financial year ended 31 March 2026.

(3) To appoint a Director in place of Shri Biju George (DIN - 09343562) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

(4) To authorize the Board of Directors to fix remuneration of the Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) the Companies Act, 2013, and in accordance with Section 142 thereof, for the financial year 2026-27.

SPECIAL BUSINESS

(5) Ratification of Remuneration of Cost Auditors for the FY 2026-27:

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹2,50,000 plus applicable taxes, payable to M/s Dhananjay V Joshi & Associates, Cost Accountants, appointed by the Board of Directors as the Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2027, be and is hereby ratified.

RESOLVED FURTHER THAT the Board and/or any person authorized by the Board, be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient or desirable for giving effect to this resolution."

(6) Approval for appointment of Shri Dinesh Mahur as Government Nominee Director of the Company:

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152 and 161(3) of the Companies Act, 2013 read with the rules made thereunder, Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and other applicable provisions, if any, approval of the Members be and is hereby accorded to the appointment of Shri Dinesh Mahur (DIN: 10862645), Additional Secretary (DP), Ministry of Defence, who has been nominated and appointed by the Ministry of Defence, Government of India, as Part-Time Official Director (Government Nominee) on the Board of the Company with effect from 30 April 2026, not liable to retire by rotation, subject to further orders and on such terms and conditions as may be determined by the Government of India from time to time."

RESOLVED FURTHER THAT Company Secretary be and is hereby authorized to take all such steps as may be necessary, proper, or expedient to give effect to this Resolution, including making necessary filings with the Registrar of Companies and other regulatory authorities."

By order of the Board of Directors
for **Mazagon Dock Shipbuilders Limited**

Sd/-
Lalatendu Acharya
Company Secretary and Compliance Officer
Membership No.: FCS-6569

Place: Mumbai
Date: 03 August 2026

NOTES:

1. The Ministry of Corporate Affairs ("MCA"), inter alia, vide its General Circular No(s). 14/2020 dated 8 April 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated

22 September 2025 (collectively referred to as "MCA Circulars"), SEBI vide circular no. SEBI/HO/ CFD/ CFD-PoD-2/P/CIR/2024/133 dated 03 October 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time), has permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. Hence, in compliance with the aforesaid Circulars, the AGM of the Company is being held through VC and the proceedings will be deemed to be conducted at the registered office of the Company situated at Mumbai.

2. The Members can join the AGM in the VC/ OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility to participate in the AGM through VC/ OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos 05 to 06 of the notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed.

4. Corporate members intending to authorize their representatives to attend the AGM through VC/OAVM and participate therein are requested to send to the Company a certified true copy of the Board Resolution/ authorization, pursuant to Section 113 of the Companies Act, 2013, authorizing such representative to attend and vote on their behalf.

5. A member entitled to attend and vote at the meeting 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. However, since this AGM is being held through VC/ OAVM and voting is permitted only through the electronic means, the facility for appointment of proxies by the members is not available for this AGM. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.

6. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice and accompanying explanatory statement will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send their request on investor@mazdock.com.

7. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting are not annexed to this Notice.

8. The Company has fixed Thursday, 20 August 2026 as the cut-off date ("Record date") for deciding the Members / Beneficial Owners who cast their vote electronically.

9. The final dividend of ₹4.62 per equity share of ₹5/- each for the financial year ended 31 March 2026, as recommended by the Board of Directors at its meeting held on 30 April, 2026, if declared by the members at the AGM, shall be paid, subject to Deduction of Tax at source (TDS), wherever applicable, within 30 days of its declaration to those members whose names appear:

   - as Members in the Register of Members and
   - as Beneficial Owners in the records of the NSDL and CDSL as on the Record Date i.e. 20 August 2026.

10. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct TDS from dividend paid to the Members at the rates prescribed under the Income Tax Act, 1961 ('the IT Act'). Members are requested to complete and/or update their residential status, PAN, category as per the IT Act with their Depository Participants ('DPs') or update the same by sending email to rta@alankit.com on or before 20 August 2026 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax. No communication/documents on the tax determination/deduction shall be considered post 11:59 PM (IST) of 20 August 2026. Copy of the TDS communication is available at the Company's website

at the below mentioned link: https://mazagondock.in/images/pdf/TDS-ON-DIVIDENDAUG-2026.pdf

11. Unclaimed/ Unpaid Dividend

    Pursuant to provisions of Section 124 of the Companies Act, 2013, Dividends, not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investors Education and Protection Fund (IEPF). The underlying shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/ Claimants are requested to claim their dividends, within the stipulated timeline.

    Details of the unpaid dividend for FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25 and FY 2025-26 are already available on the Company's website at: https://mazagondock.in/English/pages/Dividend

    Members may write to the Registrar and Share transfer Agent (RTA) of the Company on following address, for further help:

    Alankit Assignments Limited
    (Unit: Mazagon Dock Shipbuilders Limited)
    205-208, Anarkali Complex,
    Jhandewalan Extension, New Delhi - 110055
    Phone: 011-42541100, 42541234;
    Fax: 011-23552001
    Email: rta@alankit.com

12. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to update their PAN to their Depository Participant with whom they are maintaining the demat accounts.

13. In compliance with the MCA Circulars and Regulation 36(1)(a) of the Listing Regulations, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository participant/ Depositories. Further, in terms of SEBI Listing Regulations, as amended vide circular dated 12 December 2024, for those shareholders whose email id is not registered with the Company/ Depositories, a letter providing the web-link and QR code, through which Annual Report can be accessed, will be sent at their registered address and Members who requires physical copy of the Annual Report, may request for the same at investor@mazdock.com mentioning their DP ID and Client ID.

14. Members may please note that the Notice and Annual Report 2025-26 will also be available on the Company's website at https://mazagondock.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the remote e-Voting facility and e-voting system during the AGM) at https://www.evoting.nsdl.com/.

15. Members who have not yet registered their e-mail address are requested to register the same with their respective Depository Participants ("DPs") to receive all communications from the Company, including the Notice of AGM, Annual Report and other documents, electronically. Members are also requested to keep their e-mail address, postal address, mobile number, PAN, nomination and bank account details (including bank name, branch, account number and IFSC) updated with their DPs.

16. Any query relating to financial statements must be sent to the company's investors relation id at investor@mazdock.com at least 7 days before the date of the Meeting.

17. *Voting through electronic means:*

    In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the LODR Regulations, the Company is providing facility of remote e-Voting to its Members in respect of all the business items to be transacted at the AGM.

    The Company has appointed Ms. Ragini Chokshi & Co. (Company Secretaries) (Firm Registration No.92897, Mumbai as scrutinizer for conducting the e-voting process in a fair and transparent manner.

    The e-voting period shall begin on Monday, 24 August 2026 at 9:00 a.m. and will end on Wednesday, 26 August 2026 at 05:00 p.m. During this period eligible shareholders (i.e. shareholders holding shares as on the Record Date), may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

    For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) as the authorized agency for facilitating e-voting. The facility of casting votes by a member using remote e-Voting system as well as voting during the AGM will be provided by NSDL. The instructions for members for remote e-voting and joining General Meeting are provided in the *'The instructions for members for remote e-voting and joining General Meeting'* section which forms part of this Notice.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. Members who have not cast their vote through remote e-voting prior to the AGM may cast their vote electronically during the AGM. The e-voting facility shall remain available throughout the AGM and shall continue to remain open for 30 minutes after the conclusion of the AGM.

The Members will be provided the facility to login to the meeting thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the meeting.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holds shares as on the cut-off date i.e. Thursday, 20 August 2026 may obtain the login ID and password for remote e-voting by sending a request at evoting@nsdl.com or rta@alankit.com. However, if such person is already registered with NSDL for remote e-voting, then he/ she can use their existing user ID and password for casting their vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SEBI LISTING REGULATIONS AND CIRCULARS ISSUED THEREUNDER

The following statement sets out all material facts relating to special business Item Nos. 05 and 06 mentioned in this notice:

(5) Ratification of Remuneration of Cost Auditors for the FY 2026-27:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to maintain cost records and have such records audited in respect of its applicable products and activities.

Accordingly, the Board of Directors has appointed M/s Dhananjay V. Joshi & Associates, Mumbai, as the Cost Auditors of the Company for the Financial Year 2026-27 at a remuneration of ₹2,50,000/- (Rupees Two Lakhs Fifty Thousand only), excluding applicable taxes.

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as approved by the Board of Directors, is required to be ratified by the Members. Accordingly, approval of the Members is sought by way of an Ordinary Resolution set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2026-27.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of this Notice for ratification by the members.

(6) Approval for appointment of Shri Dinesh Mahur as Government Nominee Director of the Company:

Pursuant to Letter No. 8(32)/2019-D(Coord/DDP) dated 27 April 2026 issued by the Ministry of Defence, Government of India, Shri Dinesh Mahur, Additional Secretary (DP), Ministry of Defence (DIN: 10862645), has been appointed as Part-Time Official (Government Nominee) Director of the Company with effect from 30 April 2026.

In terms of the provisions of Sections 152 and 161(3) of the Companies Act, 2013 read with the Rules made thereunder and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the appointment of a Director is required to be approved by the Members at the next general meeting of the Company.

Accordingly, approval of the Members is sought by way of an Ordinary Resolution for the appointment of Shri Dinesh Mahur (DIN: 10862645) as Part-Time Official (Government Nominee) Director of the Company with effect from 30 April 2026, who shall not be liable to retire by rotation. The appointment shall be subject to such terms and conditions as may be determined by the Government of India from time to time.

Shri Dinesh Mahur is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The additional information required pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings forms part of this Notice.

In terms of his appointment read with Articles of Association of the Company, Shri Dinesh Mahur as Part-Time Official (Government Nominee) Director, shall not be entitled to any remuneration or sitting fees.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Dinesh Mahur, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the Members.

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/ RE-APPOINTED AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING REGULATIONS) AND SS-2 ISSUED BY ICSI.

Shri Biju George (DIN: 09343562), Director (Operations)	
Age	57 years
Qualifications	Post Graduate Degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur.
Experience (including expertise in specific functional area)/ Brief Resume	Shri Biju George currently serves as the Director (Operations) of Mazagon Dock Shipbuilders Limited (MDL) and brings in over three decades of experience in the Offshore and Shipbuilding space. He oversees the construction of Naval ships and is also responsible for Refits of Naval and Coast Guard Vessels, Exports, Research and Development, Innovation and Artificial Intelligence initiatives. He is a graduate in Engineering from NSS College of Engineering, Palakkad and holds post graduate degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur. Prior to his current office, he was the project Superintendent of the prestigious P17A Frigate Program for the Indian Navy. Prior to this, he was heading the Shipbuilding Design Department of MDL and has over three decades of experience in Design and Construction of frontline warships, including Missile Destroyers and Stealth Frigates. He has chaired several key Committees at MDL relating to Capex projects, diversification initiatives, revival of Ship Repair & Refit Verticals. Under his leadership, MDL has delivered Eight Surface Combatants viz. four Missile Destroyers and four Frigates to the Indian Navy. He is also a Member of the Stakeholders' Relationship Committee (SRC) and Risk Management Committee (RMC) of the Board of MDL, contributing to the Company's governance and strategic oversight. He spearheaded the acquisition of Colombo Dockyard PLC, Sri Lanka by MDL and he is currently serving as a Board member of Colombo Dockyard PLC. (CDPLC), a subsidiary of MDL.
Terms and Conditions of Appointment/Re-appointment	As decided by the Government of India from time to time and liable to retire by rotation.
Date of first appointment on the Board	27 October 2021
Shareholding in the Company including shareholding as a beneficial owner	Nil
Relationship with other Directors/ Key Managerial Personnel	Nil
Number of meetings of the Board attended	FY 2025-26: 08 FY 2026-27 (till date): 03
Directorships in Listed Entities	Nil
Directorships in Other Companies	Colombo Dockyard PLC (CDPLC), Sri Lanka
Membership/ Chairmanship of Committees of other Boards	Remuneration Committee of Colombo Dockyard PLC (CDPLC), Sri Lanka-Member Related Party Transaction Review Committee of Colombo Dockyard PLC (CDPLC), Sri Lanka-Member Nomination and Governance Committee of Colombo Dockyard PLC (CDPLC), Sri Lanka-Member
Listed entities from which the Director has resigned in the past three years	Nil

Shri Dinesh Mahur (DIN: 10862645), Part-Time Official Director (Government Nominee)	
Age	56 years
Qualifications	Engineering graduate from National Institute of Technology, Allahabad in 1991, MA in Social Studies from International School of Social Studies in 2014, The Hague, Netherlands and PGDM in Public Policy and Management from Management Development Institute, Gurugram in 2024.
Experience (including expertise in specific functional area)/ Brief Resume	Shri Dinesh Mahur is Additional Secretary in the Department of Defence Production, Ministry of Defence, Government of India. He is a 1992 batch officer of the Indian Telecom Service (ITS). In addition to his assignments in his parent department, i.e., the Department of Telecommunications, he has served in several key organisations. He served as Director in the Ministry of Home Affairs from 2011 to 2016, Additional Director General in Prasar Bharati from 2016 to 2020, and Joint Secretary in the Ministry of Mines during 2024–25, prior to his current assignment in the Ministry of Defence. He is an engineering graduate from the National Institute of Technology, Allahabad (1991), holds an M.A. in Social Studies from the International Institute of Social Studies, Erasmus University, The Hague, Netherlands (2014), and a Post Graduate Diploma (PGDM) in Public Policy and Management from the Management Development Institute, Gurugram (2024). He has extensive experience in the telecommunications sector and has played a significant role in establishing telecom companies with investments from Indian Public Sector Undertakings in countries including Nepal and Mauritius, where he also held leadership positions. His diverse experience across telecommunications, public policy and strategic administration brings valuable governance and policy perspectives to the Board. He serves as a government nominee director on the Board of the Mazagon Dock Shipbuilders Limited, representing the Ministry of Defence, Government of India.
Terms and Conditions of Appointment/Re-appointment	As decided by the Government of India from time to time, not liable to retire by rotation.
Date of first appointment on the Board	30 April 2026
Shareholding in the Company including shareholding as a beneficial owner	Nil
Relationship with other Directors/ Key Managerial Personnel	Nil
Number of meetings of the Board attended	FY 2025-26: NA FY 2026-27 (till date): 02
Directorships in Listed Entities	BEML Limited
Directorships in Other Companies	Defence Innovation Organization
Membership/ Chairmanship of Committees of other Boards	Nil
Listed entities from which the Director has resigned in the past three years	Nil

By order of the Board of Directors
for **Mazagon Dock Shipbuilders Limited**

Sd/-
Lalatendu Acharya
Company Secretary and Compliance Officer
Membership No.: FCS-6569

Place: Mumbai
Date: 03 August 2026

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

Important:

Remote e-voting start date	Monday, 24 August 2026 at 9:00 a.m.
Remote e-voting end date	Wednesday, 26 August 2026 at 5:00 p.m.
Record date (cut-off date)	Thursday, 20 August 2026

- The remote e-voting module shall be disabled by NSDL for voting after end date.
- The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) may cast their vote electronically.
- The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

Step 1: Access to NSDL e-Voting system

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

The procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of Shareholders	Login Method
	5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode:

Step 1: Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit"

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ragini.c@rediffmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Shri Sagar S. Gudhate, Assistant Vice President at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@mazdock.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@mazdock.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the EGM/ AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/ OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@mazdock.com and rta@alankit.com. The same will be replied by the company suitably.

PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS/ SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

1. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to investor@mazdock.com till Thursday, 20 August 2026. Request given on other email IDs will not be considered. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as may be appropriate for smooth conduct of the AGM.
2. Only those members who have registered themselves as a Speaker will be allowed to express their views/ ask questions during the AGM.

   SPEAKER REGISTRATION FORM *

   Name of Shareholder (including joint holder)
   DPID-CLID/Folio Number
   Permanent Account Number (PAN)
   Mobile Number
   Profession
   Query in brief
   *All fields are mandatory

Notes

Notes

AWARDS & RECOGNITIONS

NDTV Profit Business Leadership Award presented by Hon'ble Finance Minister, Smt Nirmala Sitharaman.

Best Enterprise Award in Navratna Category presented during 36th National Meet of WIPS.

'Second Prize' in the House Journal category by the Mumbai (Undertaking) Town Official Language Committee.

MDL received the 4th Edition of the Best Annual Report Awards for Heavy Manufacturing.

Best Overall Financial Performance (Strong Financial Strength) – Governance Now 12th PSU Awards.

Governance Now 10th India PSU IT Forum & Awards 2025 in the categories of "Digital Transformation leader (CIO/CTO) Award" and "Digital Transformation Excellence Award".

Governance Now 10th India PSU IT Forum & Awards 2025 in the categories of "Digital Transformation leader (CIO/CTO) Award" and "Digital Transformation Excellence Award".

MDL was awarded the Rajbhasha Samman Shield for excellent Hindi work by Rajbhasha Evam Prabandhan Vikas Sanstha.

MDL received the 4th Edition of the Best Annual Report Awards for Heavy Manufacturing.

Two prestigious recognitions for financial excellence in 2026:

Best Overall Financial Performance (Strong Financial Strength) – Governance Now 12th PSU Awards.

India's Most Influential CFO – National Leadership Awards 2026 by Times Aspire.

"Par Excellence" Award at 39th National Convention on Quality Concepts (NCQC – 2025) hosted by M/s Quality Circle Forum of India held at GLBITM, Greater Noida, U.P.

माझगांव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED
(Government of India Enterprise, Ministry of Defence)
CIN: L35100MH1934GOI002079

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