



KNOWLEDGE MARINE & ENGINEERING WORKS LIMITED

Ship Builders, Repairers, Charterers and Marine Contractors

CIN: L74120MH2015PLC269596



Ref: KMEW/BSE/Reg-30/2025-26/44

Date: December 23, 2025

To,
Listing Department
BSE Limited
P. J. Towers,
Dalal Street, Fort
Mumbai- 400001

Listing & Compliance Department
The National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

Dear Sir/Ma'am,

Scrip Code	Symbol	ISIN
543273	KMEW	INE0CJD01029

Sub: Press Release

Please find enclosed herewith copy of Press Release titled “**Shifting from Corporate Tax to Tonnage Tax**”

The said Press release is self-explanatory.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For **Knowledge Marine & Engineering Works Limited**

Avdhoot Kotwal
Company Secretary & Compliance Officer

PRESS RELEASE

Shifting from Corporate Tax to Tonnage Tax

Mumbai, India, December, 23, 2025: - Knowledge Marine & Engineering Works Limited ("KMEW") (BSE: 543273) (NSE: KMEW) is proud to announce that we have received an approval from the Joint Commissioner of Income Tax, Mumbai under section 115VP (3) of the Income Tax Act for exercising option for Tonnage Tax Scheme. The said approval will be effective for a period of 10 years beginning from A.Y. 2026-27.

With the said approval, the tax liability of KMEW will significantly be reduced which will strengthen the capex driven growth trajectory of KMEW.

Brief about Tonnage Tax Scheme

A tonnage tax is a simplified taxation method for shipping companies, where tax is calculated by the Net tonnage of Vessels rather than traditional profit-based corporate taxation. This provides predictable, lower tax obligations, independent of market fluctuations.

In the **Union Budget 2025**, the Government of India announced the extension of the **Tonnage Tax Regime (TTR)** to inland vessels in order to boost India's inland water transportation industry.

The amendment aims to attract investment into the capital-intensive inland transportation sector, which currently faces a shortage of vessels. Under the proposed changes, inland vessels will be treated similarly to seagoing ships, with relevant sections of the Income-tax Act, including those related to operating ships and calculating tonnage income, amended to include inland vessels. This will boost investment in the inland water transport (IWT) sector, improve its global competitiveness, and encourage cargo owners to shift from road and rail to waterways.

These amendments will be **effective from April 1, 2026**, and will apply to the Assessment Year 2026-27 and 10 subsequent years, thus providing a framework for the growth and investment in India's inland waterway transportation.

Benefits of Tonnage Tax Regime to KMEW:

Enhanced Profitability & Cash Flow

The Registration under Tonnage Tax Regime, delivers a drastic improvement in profitability, freeing up substantial cash resources for reinvestment. The enhanced financial flexibility will be directed toward fleet expansion and operational growth.

Reduction in Tax Liability

Compared to standard corporate tax, TTR drastically lowers our tax outflow — improving bottom-line performance.

Competitive Advantage in Bidding for Contracts

Help KMEW to streamline cost structure which will offer more competitive pricing in project and in turn enhance probability of winning the tender followed by faster fleet expansion to cater to growing industry demand.

Conditions for availing the TTR under Inland Vessel:

- The vessel must be registered under the Inland Vessels Act, 2021, and have a gross tonnage of at least **100 tons**.
- **Reserve Requirement:** Companies must transfer at least **20%** of their book profits from tonnage tax activities to a Tonnage Tax Reserve Account, to be used for acquiring new ships or inland vessels within eight years.
- **Companies must opt for the scheme for a period of 10 years** and comply with requirements.

Computation of Tonnage Tax

The Tonnage Tax is based on the gross tonnage of the vessels operated by the company. The tax is calculated using a fixed rate for each tonnage band, with the rate depending on the size of the vessel. The structure is as follows:

Tonnage Bands: Tax rates are set by gross tonnage bands, with larger vessels taxed at higher rates. This tiered system keeps costs lower for smaller vessels, supporting smaller fleet operations.

Annual Tonnage Tax: Applied yearly based on fleet size and tonnage, ensuring stable tax obligations. This approach provides financial predictability, independent of profit fluctuations.

Slabs under Tonnage Tax

Qualifying ship having net tonnage	Amount of daily tonnage income
up to 1,000	₹ 70/- for each 100 tons
exceeding 1,000 but not more than 10,000	₹ 700/- plus Rs. 53 for each 100 tons exceeding 1,000 tons
exceeding 10,000 but not more than 25,000	₹ 5,470/- plus Rs. 42 for each 100 tons exceeding 10,000 tons
exceeding 25,000	₹ 11,770/- plus Rs. 29 for each 100 tons exceeding 25,000 tons

The Tax shall be charged on the basis of Deemed Income and not on Actual Profits made by the Company.

Nutshell

KMEW's registration under the Tonnage Tax Regime marks a pivotal step in aligning fiscal efficiency with long-term growth. By unlocking substantial tax savings and enabling predictable cost structures, the company is now positioned to reinvest aggressively in fleet expansion, enhance competitiveness in project bids, and capitalize on rising demand in inland and coastal shipping.

As the Government's policy shift opens new avenues for inland vessel operations, KMEW stands ready to lead with operational excellence, disciplined capital deployment, and a strengthened value proposition for stakeholders.

About Knowledge Marine & Engineering Works Ltd:

Incorporated in 2015, KMEW is in the business of owning and operating Marine Crafts, dredging, repair and maintenance/refits of Marine Crafts and Marine Infrastructure. The Company provides multiple solutions of marine engineering including dredging at various ports, carrying out repair and refit services of naval and merchant ships, conducting hydrographic and magnetometer surveys and technical solutions for maintenance and operations of vessels. Over the years, it has become an established player in the small marine craft business segment and dredging services in India and have evolved from a small ship-repair unit to a ship-owning Company. The company has a multi-million order book from esteemed clients such as Ministry of External Affairs, Kolkata Port Trust, Visakhapatnam Port Trust, Deendayal Port Trust, Paradip Port Trust, Dredging Corporation of India and various other ports.

Safe Harbour

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

For further information, please contact

Company:

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