



Press Release

Pipavav Defence and Offshore Engineering Company Ltd. (PDOECL) announces JV with Mazagon Dock Ltd. – ‘Mazagon Dock Pipavav Ltd.’

- Mazagon Dock Ltd., Ministry of Defence (MoD), Government of India, has selected PDOECL as its joint venture partner for building warships for the Indian Navy.
- The JV, is the first post-independence JV between a MoD operated Company and private sector Company to build warships together for Indian Navy.

Mumbai, 12th September 2011: Pipavav Defence and Offshore Engineering Company Ltd. (PDOECL) today announced the formation of a joint venture with the Government-operated Mazagon Dock Ltd. (MDL) for the construction of frontline warships for the Indian Navy. The board has unanimously approved the setting up of the joint venture company, which will be named ‘Mazagon Dock Pipavav Ltd’.

Pursuant to Expression of Interest entitled “Synergising Efforts of MDL in Shipbuilding” issued by Mazagon Dock Limited (MDL), inviting private sector shipyards to submit proposals for a joint collaborative strategy to meet the challenging timelines in order to liquidate the order book of MDL, the Company had responded to the same, and in response, the Company has received a Letter of Intent from MDL, advising that MDL Board has approved the Company as the Joint Venture Partner, and that the JV would be named as the Mazagon Dock Pipavav Limited (MDPL).

The JV will mark the first time after independence that a public-private partnership was formed to develop frontline warships, ultimately resulting in the speedy and expedited delivery of warships to the Indian Navy. With critical geopolitical demands for strengthened defence, the Government of India will continue to invest in building its armed forces, and the ‘Buy Indian, Make Indian’ policy the MoD has employed will encourage the Government to depend less on foreign suppliers for military hardware and more on such public private partnerships to meet the demands of national security.

Commenting on the formation of the JV with MDL, Chairman Nikhil Gandhi said:

“We are delighted to announce the formation of a joint venture with Mazagon Dock Ltd. for the construction of frontline warships for the Indian Navy. As we have always said at PDOECL, we seek to be a Company that complements Government shipyards in their endeavor to produce warships for the armed forces. This truly marks a ‘Golden Day’ in the corporate history of this Company. With significant defence focused infrastructure in the country, Pipavav’s proposed partnership with MDL, the largest defence shipyard, will create immense scope for the Company’s order book growth and will help PDOECL to scale new heights.”

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The Government of India's policy allowing private sector participation in defence will undoubtedly be a valuable asset for the Indian Navy as well as for the private sector. This mutually beneficial deal will allow MDL to utilize PDOECL's infrastructure and benefit from the expedited production of warships."

Pipavav Defence and Offshore Engineering Company Ltd. currently has the largest dockyard in India, and are in the process of converting present wet dock into the 2nd dry dock. The Company has fully tied up the debt for the 2nd dry dock. The Company's world class defence focused infrastructure with modular technology and the location of the Company on the Gujarat coastline in a naturally formed harbor puts the facility at an advantageous position for warship building.

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About Pipavav Defence and Offshore Engineering Company Limited

PDOECL is the country's largest integrated defence focused infrastructure in the private sector.

PDOECL is spread over an aggregate area of 198.92 hectares (approximately 491.53 acres), comprising an SEZ unit spread over 95 hectares (approximately 234.75 acres) and an EOU spread over 103.92 hectares (approximately 256.79 acres). The two sites are connected by a dedicated corridor road of approximately 4.5 km length built by the Company. PDOECL is the first company post independence in the Indian private sector which received the contract for construction of warships viz. Naval Offshore Patrol Vessels from Government of India. The existing order book of the Company is US\$ 1.5 billion comprising orders from commercial ships for export, offshore and defence segment. The Company has achieved financial closure for the 2nd dry dock.

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