



PRESS RELEASE

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L&T, TIDCO sign JV agreement to build Shipyard cum Port Complex in Tamil Nadu

Chennai, April 15, 2008: Larsen & Toubro Limited (L&T), India's leading engineering, technology and construction company, and Tamil Nadu Industrial Development Corporation Limited (TIDCO) have signed a joint venture agreement to set up an integrated Shipyard Complex of global standards with a port facility and a total investment of about Rs. 30,000 million (Rs. 3,000 crore) in the Kattupalli village, near Ennore in Tiruvallur District of Tamil Nadu.

The joint venture agreement to set up the project was signed in Chennai today in the presence of the Hon'ble Chief Minister of Tamil Nadu, Dr. Kalaignar M. Karunanidhi and L&T's Chairman and Managing Director, Mr. A. M. Naik. The JV agreement was signed by Mr. S. Ramasundaram, IAS, Chairman and Managing Director, TIDCO, and Mr. K. V. Rangaswami, Member of the Board and President (Construction), L&T.

The feasibility report for the project has been completed. Necessary environment studies are under progress. Construction will start by the end of 2008, and the project will be completed in 24 months.

The proposed shipyard complex will include facilities for commercial ship building including Very Large Cargo Carriers, specialized cargo ships for liquid / gas transportation and cruise vessels. It will also have the capability to build vessels for the defence sector, off-shore platforms & floating production cum storage facilities for the Oil & Gas sector.

The shipyard will also have the facilities for refitting and re-engineering of commercial and defence vessels, and heavy engineering fabrication and components production for ship building purposes.

The shipyard complex will promote several ancillary units for manufacture of components & spares for this shipyard, and for exports. When it becomes operational, the shipyard will become a nucleus for the heavy engineering industry (for fabrications and components manufacturing).

L&T selected the Tamil Nadu site for this project based on its suitability, the investor friendly policies of the Tamil Nadu Govt. and the availability of large pool of technically qualified and skilled manpower in the state. This project has significant employment potential.

The L&T Group is a USD 7 billion technology, engineering and construction company, with global operations. It is one of the largest and most respected companies in India's private sector.

A strong, customer-focussed approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business over seven decades.

It has played a critical role in the development of indigenous technologies and capabilities in various sectors, and has contributed to the development of our country's defence capabilities, infrastructure, cement manufacturing capacities, nuclear power, oil & gas, petroleum sectors, to list a few for the purpose of illustration.

Shipping has historically been a measure of a nation's economic success. This requires world class vessels to compete with countries that have got ahead of us.

L&T's foray into shipbuilding is expected to bridge the gap between India's shipbuilding industry and that in developed countries, and will result in a paradigm shift in the shipbuilding capabilities in our country.
