

**PIPAVAV DEFENCE SIGNS AGREEMENT WITH ZVYOZDOCHKA OF RUSSIA
FOR REFITS OF EKM 877 SUBMARINES IN INDIA**

Mumbai, July 21, 2015: Pipavav Defence & Offshore Engineering Co. Ltd. (PDOC) today announced the signing of an agreement with JSC Ship Repairing Centre Zvyozdochka, Russia for Medium Refits and Life Certification of 877 EKM Submarines in India.

The 'Make in India' and 'Skill Development' program of Hon'ble Prime Minister, Shri Narendra Modi, form the basis of Cooperation Protocol between PDOC and Zvyozdochka. PDOC proposes to execute the Program under a Joint Venture, with 51% stake, consistent with MoD regulations.

This will also mark the first time the work for refit of submarines is being considered for the private sector in India. The indicative value of work proposed to be undertaken by the proposed JV is approx. Rs. 11,000 crore.

The skills and experience developed by the JV will position PDOC favorably for undertaking similar work for large submarine forces of similar class deployed by countries like Algeria, Vietnam and Iran, with potential additional revenues of approx. Rs. 20,000 crore.

Under the terms of the agreement, Zvyozdochka will provide complete technical assistance and support to the JV, including inter alia for enhancement of infrastructure at the PDOC facilities, training of engineers, etc. PDOC technicians will also be closely associated with the first Refit to be carried out in Russia.

A spokesperson for PDOC said, "Refit and Modernisation of Submarines is an ongoing need for our Blue Water Navy. PDOC and Zvyozdochka are deeply committed to playing an enabling role towards enhancing Naval preparedness, which is vital for our national security."

A refit in India has several advantages, of which the most important are savings on transportation costs to Russia and back, and the enhanced operational availability of the submarines for thousands of additional hours, by avoiding the downtime in transporting them to Russia and back.



Zvyozdochka, founded in 1954, is the premier ship repairing centre in Russia. It undertakes repair and upgradation of warships and submarines of the Russian Navy. So far, it has undertaken upgradation / refurbishment of more than 120 submarines and 90 warships.

The Zvyozdochka team had conducted a survey of all shipyards in India, both in the public and private sector, and selected PDOC as its partner on the basis of the available world class infrastructure and declared commitment of Mr. Anil Ambani led Reliance Group to transform PDOC into the leading naval and defence shipyard in the country.

This is subject to necessary approval.

