

MoU signed on shipyard project

Officials take opportunity to brief L&T team on features of Nanguneri SEZ

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CHENNAI: Chief Minister M. Karunanidhi assumed the role of a seasoned marketing executive when A.M. Naik, the head of India's biggest engineering and construction firm Larsen and Toubro Ltd (L&T), called on him at the Secretariat here on Tuesday morning to sign a Memorandum of Understanding (MoU) on their shipyard project.

"Why don't you set up a unit in Nanguneri [Special Economic Zone]," he asked the L&T chairman and managing director, who had just committed himself to build the largest shipyard in south Asia near Chennai. Once functional, the company will also be the largest employer in a single unit in the manufacturing sector in the State.

Mr. Naik did not appear prepared for the question, but said he would consider setting up a unit in the SEZ. Quick to seize the opportunity, officials explained to the L&T team the features of the first multi-product SEZ in



PACT SIGNED: K. V. Rangaswami, president (Construction), Larsen & Toubro (left) and S. Ramasundaram, Chairman and Managing Director, TIDCO, exchanging documents in the presence of Chief Minister M. Karunanidhi at the Secretariat in Chennai on Tuesday. — PHOTO: V. GANESAN

south India, poised to take off after many a false start.

The Nanguneri SEZ is close to Mr. Karunanidhi's heart because it was the dream project of his nephew and Union

Minister Murasoli Maran. Though the foundation for the project was laid about eight years ago, it is yet to take off.

"The Chief Minister came

into the meeting after a particularly noisy and difficult session in the Assembly. But the moment he met the L&T people, he saw the opportunity and made a request," said

an official who was part of the MoU signing ceremony. "It looked like the Chief Minister wanted to make Nanguneri a reality as early as possible. He was showing the rest of those present how to make a project work," said another official.

L&T president (construction) K.V. Ramaswamy signed the Memorandum of Understanding with the Tamil Nadu Industrial Development Corporation chairman and managing director S. Ramasundaram for the shipyard project, in the presence of Mr. Karunanidhi and Mr. Naik. L&T will hold 98 per cent stake in the joint venture project and the owner of the land, TIDCO, a two per cent stake.

The Rs.3,068 crore shipyard-cum-port project will come up at Kattupalli in Thiruvallur district as an SEZ.

L&T plans to build large ships of up to three lakh DWT here. "The first ship will sail out 24 to 30 months after the ground breaking ceremony," Mr. Ramasundaram said. He expects the ceremony to be held in one or two months.