Pipavav Shipyard Limited

Registered Office: Pipavav Port, Post Ucchaya, Via Rajula, Rajula – 365 560, Gujarat, India; Telephone: +91 2794 286200; Facsimile: +91 2794 286373; Corporate Office: SKIL House, 209 Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra, India; Telephone: +91 22 6619 9000; Facsimile: +91 22 2265 6022; Contact Person: Mr. Ajit Dabholkar, Company Secretary and Compliance Officer; Email: company.secretary@pipavavshipyard.com; Website: www.pipavavshipyard.com.

ADDENDUM TO THE RED HERRING PROSPECTUS DATED SEPTEMBER 5, 2009

PUBLIC ISSUE OF 85,450,225 EQUITY SHARES OF RS.10 EACH ("EQUITY SHARES") OF PIPAVAV SHIPYARD LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT THE ISSUE PRICE OF RS.58 PER EQUITY SHARE FOR THE INVESTORS OTHER THAN THE ANCHOR INVESTORS AND AT THE ISSUE PRICE OF RS.60 PER EQUITY SHARE FOR THE ANCHOR INVESTORS, AGGREGATING RS.4,986.66 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 12.83% OF THE POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY. UP TO 600,000 EQUITY SHARES OF RS.10 EACH WILL BE RESERVED IN THE ISSUE FOR SUBSCRIPTION BY EMPLOYEES (AS SPECIFICALLY DEFINED HEREIN IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AT THE ISSUE PRICE (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION SHALL BE HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE NET ISSUE WILL CONSTITUTE 12.74% OF THE POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY.

THE ISSUE PRICE IS RS.58 PER EQUITY SHARE.

THE FACE VALUE OF THE EQUITY SHARES IS RS.10 EACH AND THE ISSUE PRICE IS 5.8 TIMES THE FACE VALUE

(FOR THE ANCHOR INVESTORS, THE ISSUE PRICE IS RS.60 PER EQUITY SHARE, WHICH IS 6 TIMES THE FACE VALUE)

THE PROMOTERS OF THE COMPANY ARE SKIL INFRASTRUCTURE LIMITED, GREVEK INVESTMENTS AND FINANCE PRIVATE LIMITED AND PUNJ LLOYD LIMITED.

Pursuant to an order no. WTM/MSS/ISD/18/2009 dated September 22, 2009 issued by the Securities and Exchange Board of India ("SEBI") in connection with the matter of insider trading in the securities of KLG Capital Services Limited by Mr. Hemant R. Patel, Mr. Praveen Mohnot, Mr. N. Ravichandran and others (the "SEBI Order"), SEBI has, among other things, directed Mr. Hemant R. Patel, Mr. Praveen Mohnot, Mr. N. Ravichandran and others, that they shall disgorge profit and not (i) buy, sell or deal in the securities market in any manner whatsoever, or access the securities market, directly or indirectly and (ii) hold the position of a director of any listed company for a period of two and five years. An appeal has been filed before the Securities Appellate Tribunal against the SEBI Order.

In addition to the above, the Bidders in the Issue may please note the following changes in certain sections of the Red Herring Prospectus dated September 5, 2009 (the "Red Herring Prospectus"):

(a) In the section "History and Certain Corporate Matters" beginning on page 104 of the Red Herring Prospectus, Mr. N. Ravichandran had been disclosed as a director of E Complex Private Limited. He has resigned from directorship with effect from September 23, 2009. Accordingly, the name of Mr. N. Ravichandran has been deleted from and the name of Mr. P. Krishnamurthy, who has been appointed as an Additional Director with effect from September 23, 2009, has been added to the board of directors of E Complex Private Limited.

(b) In the section "Our Management" beginning on page 121 of the Red Herring Prospectus, Mr. Hemant Patel had been disclosed as the Deputy Chief Financial Officer of the Company. He has resigned as the Deputy Chief Financial Officer of the Company with effect from September 22, 2009. Accordingly, the name and description of Mr. Hemant R. Patel has been deleted from "- Management Organizational Structure" and "- Key Managerial Personnel". Further in the row relating to Mr. Hemant Patel in "- Changes in the key managerial personnel during the last three years", the date of cessation and the reason has been included as September 22, 2009 and resignation, respectively.

(c) In the section "Our Promoters and Promoter Group Companies" beginning on page 138 of the Red Herring Prospectus, Mr. N. Ravichandran, Mr. Praveen Mohnot and Mr. Hemant Patel have been disclosed as directors of certain promoter group companies or as directors of certain listed companies controlled by one of the persons in control of one of the Promoters of the Company. Mr. Hemant Patel has resigned with effect from September 22, 2009 and Mr. N. Ravichandran, Mr. Praveen Mohnot have resigned with effect from September 23, 2009. Accordingly, (i) the name of Mr. Hemant R. Patel has been deleted from the board of directors of KLG Capital Services Limited; (ii) the name of Mr. Praveen Mohnot has been deleted from the board of directors of each of KLG Capital Services Limited and Horizon Infrastructure Limited; and (iii) the name of Mr. N. Ravichandran has been deleted from the board of directors of each of SKIL Infrastructure Limited, SKIL Himachal Infrastructure and Tourism Limited, Horizon Country Wide Logistics Limited and JPT Securities Limited.

Mr. Hemant R. Patel, Mr. Praveen Mohnot and Mr. N. Ravichandran are not associated as a director of the Company, its subsidiary, its Promoters or the Promoter Group entities of the Company.

In addition to the above, please note that in the sections "Objects of the Issue" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 48 and 194, respectively, of the Red Herring Prospectus, the Chartered Accountant's certificate in relation to the amount spent and deployment of funds will be updated until August 15, 2009 and related changes will be made.

The above changes and other related matters will be included by the Company in the Prospectus to be filed with the RoC. This communication is required to be read in conjunction with the Red Herring Prospectus dated September 5, 2009.

For and on behalf of Pipavav Shipyard Limited

Sd/-

Ajit Dabholkar

Date: September 27, 2009 — Company Secretary and Compliance Officer

The Company is proposing, subject to market conditions and other considerations, a public issue of its equity shares and the Company has filed a Red Herring Prospectus with the Registrar of Companies. The Red Herring Prospectus is available on the websites of SEBI, the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited at www.sebi.gov.in, www.bseindia.com, www.nseindia.com and the websites of the Book Running Lead Managers and the Co-Book Running Lead Managers at www.jmfinancial.com, www.citibank.co.in, www.enam.com, www.sbicaps.com, www.kotak.com and www.motilaloswal.com. Any potential investor should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the Red Herring Prospectus that has been filed with the Registrar of Companies including the section titled "Risk Factors". The "NOTICE TO INVESTORS - ADDENDUM TO THE RED HERRING PROSPECTUS DATED SEPTEMBER 5, 2009" dated September 27, 2009 will be made available on the websites of SEBI, the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited at www.sebi.gov.in, www.bseindia.com, www.nseindia.com and the websites of the Book Running Lead Managers and the Co-Book Running Lead Managers at www.jmfinancial.com, www.citibank.co.in, www.enam.com, www.sbicaps.com, www.kotak.com and www.motilaloswal.com.