



L. P. Naval and Engineering Limited
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)



ANNUAL REPORT
2017-18



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CHAIRMAN'S MESSAGE

Dear Shareholders,

The company was incorporated in the year 2012 with the aim of becoming a dominant and qualitative player in the shipbuilding industry catering to small and medium sized boats and warships. We immediately made our presence felt by getting orders to work on Hulls, Super Structures and Piping of Interceptor Boats for the Coast Guard. These are all Aluminium high speed boats which are used by the Coast Guard for patrolling our long coast line. Over period of 3 years we delivered 12 such works for L&T Shipbuilding at Hazira. We got recognized for our speed of turnaround and quality of work.

But by 2015 the Shipbuilding industry had taken a turn for the worse and the orders dried down for our principal client. This adversely affected our business as well. This would have had a long term impact on our top line and bottom line but a proactive action and decision from our Directors to venture into other areas of work like Engineering services and Defence related work. We had the team and the resources but we lacked relevant experience in these fields so we made a conscious decision to take it slow and get to learn the ropes.

In Financial year 2016 we executed to Critical and Time bound projects for Coke Drum repair. The projects were completed in record time and with utmost quality. This marked our entry into the Maintenance, Repair and Upgrade Business. But again this is not a constant revenue source and the business is cyclical and project based. It also requires instant mobilization of resources. So we created a dedicated team of Professionals for this project.

In the same year we also made entry into Defence division with a small and dedicated team to understand the technical requirement of that business. Though the progress was slow we persisted and finally got orders for Defence as well.

Financial Year 2017 was a slightly slow year because we were trying to consolidated and make entry into new business areas. It was a tough year for everyone on manufacturing and engineering services and it got worse in the next financial year.

Financial Year 2018 was a very challenging year for both the industry and us. But as an organization we spent time in building our capabilities and skill sets for the new areas of work. We have built dedicated teams and capabilities for Defence, Engineering Services, Projects and Machining and Precision Engineering.

The company executed a complete shutdown maintenance project on De-Salter equipments also.

Our outlook for the current financial year and next 2 -3 years is very positive. We are very confident about orders in the following areas:

1. The Defence Division should generate good volume of business.
2. Our newly set up Machining and Precision Engineering division should generate good business.
3. We have made a significant entry into the Reactor and Pressure Vessel Division.

The company is also confident of getting in to the Ship building and repair business independently by Financial Year 2020.

All this augurs well for all the stake holders. In terms of revenue, our Financial Year 2019 revenue should show a progress.

Sd/-

Sanjaykumar Govind Prasad Sarawagi
(Chairman)

EXECUTIVE BOARD OF DIRECTORS



Mr. Sanjaykumar Govind Prasad Sarawagi
Executive Director

Mr. Sanjaykumar Govind Prasad Sarawagi is an executive director of L. P. Naval and Engineering Limited. He has expertise in designing, production, marketing and business development. With 24 years of rich and vivid experience Mr. Sanjay Sarawagi is like a light beacon providing a sense of direction to the Company and the Group. He has vast experience in formulating and implementing effective business strategies. A visionary par excellence, he has introduced several innovations in the otherwise traditional textile industry of Surat. His future plan involves getting into the Defence Sector through technical textiles and Engineering services.



Mr. Manojkumar Govind Prasad Sarawagi
Executive Director

Mr. Manojkumar Govind Prasad Sarawagi is an executive director of L. P. Naval and Engineering Limited. Mr. Manoj Kumar Sarawagi is a graduate in Marketing. He with his dynamism and innovation has changed the way in which Sarees are sold in Asia's most famous Textile Market - Surat. In order to diversify the business activities of the group and prepare the group for next level of growth he has made a contrarian bet on the Shipbuilding sector. Though the Shipbuilding Industry is currently going through a downturn he believes that the future is going to be promising once the momentum of global trade picks up. He was instrumental in getting the fabrication contract from M/s L & T for fabrication of interceptor boats.



Mr. Rakeshkumar Govind Prasad Sarawagi
Executive Director

Mr. Rakeshkumar Govind Prasad Sarawagi, an expert in Finance has sound knowledge of financial management. He has played a vital role in debt and equity fund raising activity of Laxmipati group. He has been responsible for managing the fund requirement of the group effectively and keeping the funding costs low to enhance returns to the shareholders. He is responsible for complete financial management of the Company. Despite having a non technical background, his technical understanding and acumen is exemplary. His vision has led the company to diversify into areas of project management, engineering services and reactor and pressure vessel production.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjaykumar Govind Prasad Sarawagi
Mr. Manojkumar Govind Prasad Sarawagi
Mr. Rakeshkumar Govind Prasad Sarawagi
Mrs. Ruchita Amit Mittal
Mr. Maheshkumar Hariram Saboo
Mrs. Pratibha Pankaj Gulgulia

Executive Director & Chairman
Executive Director
Executive Director
Non- Executive Independent Woman Director
Non- Executive Independent Director
Non- Executive Independent Woman Director

STATUTORY AUDITORS

M/s R. Kejriwal & Co.
2, Aastha, 2/906, Hira Modi Sheri,
Opp. Gujarat Samachar Press,
Sagrampura, Ring Road,
Surat - 395002
Ph: +91-261-2355984

AUDIT COMMITTEE

Ruchita Amit Mittal	Chairman
Maheshkumar Hariram Saboo	Member
Rakeshkumar Govind Prasad Sarawagi	Member

BANKER TO THE COMPANY

Bank of Baroda
0642, Textile Market Branch, Surat Textile Market,
Ring Road, Surat-395002
Union Bank of India
Shop No. UG/1, Bhagwati Ashish Complex, City
light Road Surat -395007

NOMINATION &

REMUNERATION COMMITTEE

Maheshkumar Hariram Saboo	Chairman
Ruchita Amit Mittal	Member
Pratibha Pankaj Gulgulia	Member

STAKEHOLDERS, SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

Maheshkumar Hariram Saboo	Chairman
Ruchita Amit Mittal	Member
Pratibha Pankaj Gulgulia	Member

REGISTERED OFFICE

CIN: L35111GJ2012PLC068922
Office Block, First Floor, Pl. No. 237/2
& 3, Sub Pl. No. A/25, Central Park
Soc. GIDC, Pandesara, Surat-394 221

Tel.: +91-261-2894415/16
Fax: +91-261-2894419
Email: cs@lpsnaval.com
Website: www.sivishipping.com

REGISTRAR & SHARE TRANSFER AGENT

M/s Bigshare Services Private Limited
1st Floor, Bharat Tin Works
Building,
Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East,
Mumbai-400059
Tel.: +91-022-62638200
Email:
investor@bigshareonline.com
Website: www.bigshareonline.com

COMPANY SECRETARY / COMPLIANCE OFFICER

Mr. Kaushik Haribhai Vegad

BOOK CLOSURE

Date: 25th July 2018 to 30th July 2018
(both days inclusive)

SEVENTH ANNUAL GENERAL MEETING

Date: 30th July, 2018
Time: 11.00 A.M.
Venue: Registered Office
Office Block First Floor, Pl No. 237/2 &
3, Sub Pl No. A/25, Central Park Soc.
GIDC, Pandesara, Surat-394 221



L. P. Naval and Engineering Limited

(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

NOTICE

Notice is hereby given that the 7th Annual General Meeting of the Members of **L. P. NAVAL AND ENGINEERING LIMITED** will be held on Monday, 30th July, 2018 at 11.00 A.M. at the Registered Office of the Company at Office Block, First Floor, Pl. No. 237/2 & 3, Sub Pl. No. A/25, Central Park Soc., GIDC, Pandesara, Surat, Gujarat - 394 221 to transact the following businesses:

ORDINARY BUSINESS:

1.To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018 and Profit & Loss Account for the year ended on that date together with the report of the Board of Directors & Auditors' thereon.

2.To appoint a Director in place of Mr. Sanjaykumar Govind Prasad Sarawagi, Executive Director (DIN: 00005468), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

“RESOLVED THAT in accordance with the provision of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Sanjaykumar Govind Prasad Sarawagi, Director (DIN: 00005468), who retires by rotation at this annual general meeting, be and is hereby reappointed as director of the Company, liable to retire by rotation.”

3.To Re-appoint Auditors and Authorize the Board of Directors to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, M/s. R. Kejriwal & Co., Chartered Accountants (FRN No. 133558W) be and are hereby re-appointed as statutory auditors of the company, to hold office from the conclusion of 7th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company as per the provisions of the Companies Act, 2013, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To Re-appoint Mr. Maheshkumar Hariram Saboo as an Independent Director of the Company:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Maheshkumar Hariram Saboo (DIN: 01616969), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years from this AGM, and whose office shall not be liable to retire by rotation.”

For and on behalf of the Board of Directors
L. P. NAVAL AND ENGINEERING LIMITED

Sd/-

Kaushik Haribhai Vegad
Company Secretary

Date: 28th June, 2018

Place: Surat

Regd Office: Office Block, First Floor, Pl. No. 237/2 & 3, Sub. Pl. No. A/25, Central Park Soc. GIDC, Pandesara, Surat-39422, **E-mail:** cs@lpnaval.com, **WebSite:** www.sivishipping.com, **Tel. No.** 0261-2894415/16, **Fax No.** 0261- 2894419, **CIN:** L35111GJ2012PLC068922

NOTES:

1. A member entitled to attend and vote at the annual general meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting (on or before 28th July, 2018, 11:00 A.M. IST). A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form for the AGM is enclosed.

2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10.00 a.m. and 4.00 p.m. up to the date of the Annual General Meeting.

4. Members/Proxy holders/ Authorized representatives are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.

5. Members are requested to quote Folio number in all their correspondences.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. The Register of Contracts & arrangements in which director are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th July, 2018 to 30th July, 2018 (both days inclusive).

9. The Shareholders are requested to direct change of address notifications and updates details to their respective Depository Participant(s).

10. Equity shares of the Company are under compulsory demat trading by all Investors.

11. The Annual Report 2017-18, the Notice of the 7th AGM and instructions for e-voting along with the Attendance Slip and Proxy form, are being sent by electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a physical copy of documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

12. Members may also note that the Notice of the 7th AGM and the Annual Report 2017-18 will be available on Company's website, www.sivishipping.com.

13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the company electronically and quicker response to their queries to RTA or Company.

14. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM hall.

15. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re- appointment at the AGM, is furnished as

annexure to the Notice. The directors have furnished consent / declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules there under.

16. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd July, 2018.

17. Information and other instructions relating to e-voting are as under:

- I. Pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by CDSL. The facility available for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise the right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
- II. The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'polling paper'.
- III. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- IV. Shri Ranjit Kejriwal, Practicing Company Secretary has been appointed to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper, in a fair and transparent manner.
- V. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on the cut-off date i.e. July 23, 2018.
- VI. A person, whose name is recorded in the register of members as on the cut-off date, i.e. July 23, 2018 only shall be entitled to avail the facility of remote e-voting / voting.
- VII. The Scrutinizer, after scrutinising the votes cast at the meeting (polling paper) and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall be communicated to the Stock Exchanges.
- VIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 30, 2018.

IX. Instructions to Members for e-voting are as under:

- i. The voting period starts on Friday 27th July, 2018 on open of working hours (i.e. 9:30 hours) and ends on the close of working hours (i.e. 05:00 hours), Sunday, 29th July, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.07.2018 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website: www.evotingindia.com
- iii. Click on "Shareholders" tab
- iv. Now Enter your User ID (For CDSL: 16 digits beneficiary ID; For NSDL: 8 Characters DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification Code as displayed and Click on Login).
- v. If you are holding shares in Demat form and had logged on to e-voting platform and casted your vote earlier for any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> · Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. · In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the "L. P. NAVAL AND ENGINEERING LIMITED" screens. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the **EVS N 180628014** for L. P. NAVAL AND ENGINEERING LIMITED on which you choose to vote.
- xi. In the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolutions and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolution.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and Image verification Code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non – Individual Shareholders and Custodians
- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

For and on behalf of the Board of Directors
L. P. NAVAL AND ENGINEERING LIMITED

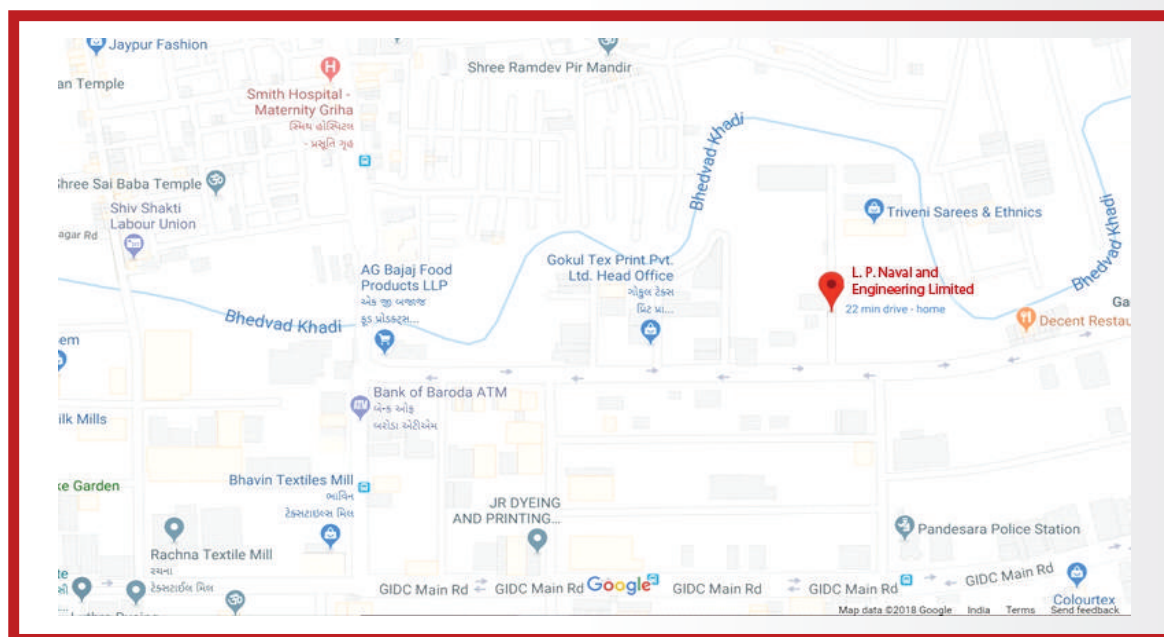
Sd/-

Kaushik Haribhai Vegad
Company Secretary

Date: 28th June, 2018
Place: Surat



ROUTE MAP TO THE VENUE OF THE
7TH ANNUAL GENERAL MEETING OF THE COMPANY



ANNEXURE TO NOTICE:

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Mr. Sanjaykumar Govind Prasad Sarawagi, is to be re- appointed as Director, who is liable to retire by rotation and as per the Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015 his details are as under:

Name of Director	Mr. Sanjaykumar Govind Prasad Sarawagi
DIN No.	00005468
Date of Birth	01/07/1970
Qualification	B.Com
Expertise in specific functional areas	Finance
List of Companies in which directorship is held as on 31 st March, 2018	As attached below
Chairman / Member of the Committee of other Company	Siddhi Vinayak Knots & Prints Private Limited (Member of CSR Committee)

List of Companies in which Mr. Sanjaykumar Govind Prasad Sarawagi holds directorship as on 31st March, 2018:

Sr. No.	Name of the Company	Nature of Interest	Shareholding	Date on which interest arose/changed
1.	Vertex Fabtex (India) Private Limited	Director	Nil	24/03/2017
2.	Siddhi Vinayak Knots & Prints Private Limited	Wholetime Director	8000	05/08/2008
3.	Krishnakali Couture Private Limited	Director	5000	03/01/2014
4.	Shahlon Textile Park Private Limited	Director	548000	13/04/2015
5.	L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited)	Director	303000	07/02/2012
6.	Siddhi Vinayak Trendz Private Limited (Under Process of Striking Off)	Director	15000	17/08/2015
7.	Siddhi Vinayak Knight Riders Private Limited	Director	5000	16/08/2017

Mr. Rakeshkumar Govind Prasad Sarawagi & Mr. Manojkumar Govind Prasad Sarawagi being relatives of director are concerned or interested in this resolution.

2. Mr. **Maheshkumar Hariram Saboo**, is to be re- appointed as an Independent Director, and as per the Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015 his details are as under:

Name of Director	Mr. Maheshkumar Hariram Saboo
DIN	01616969
Date of Birth	20/10/1974
Qualification	B.Com
Expertise in specific functional areas	Textile
Relationship with other Directors	Not related to any Director
List of Companies in which directorship is held as on 31 st March, 2018	As attached below
Chairman / Member of the Committee of other Company	L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited) <ul style="list-style-type: none"> · Audit Committee- Member · Nomination and Remuneration Committee Chairman/Member · Stakeholders Relationship Committee Chairman/Member

List of Companies in which Mr. Maheshkumar Hariram Saboo holds directorship as on 31st March, 2018:

S. No.	Name of the Company	Nature of Interest	Shareholding	Date on which interest arose/changed
1.	L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited)	Independent Director	Nil	21/12/2013
2.	Heenon Texturisers Pvt. Ltd.	Director	11220	04/05/1995
3.	Mudra Rayons Pvt. Ltd.	Director	29100	22/05/2007
4.	Mahavir Synthetics Pvt. Ltd.	Director	27500	25/06/2007

The Board of Directors recommends the proposed resolutions for acceptance by member.

<p>Date: 28th June, 2018 Place: Surat</p>	<p>For and on behalf of the Board of Directors L. P. NAVAL AND ENGINEERING LIMITED</p> <p>Sd/- Kaushik Haribhai Vegad Company Secretary</p>
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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

ITEM NO 4

As per Section 149(10) of the Companies Act, 2013 (Companies Act, 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Maheshkumar Hariram Saboo, it is proposed to re-appoint him for the second term as an independent director on the Board of L. P. Naval and Engineering Limited for a period of five years from this AGM. In the opinion of the Board, Mr. Maheshkumar Hariram Saboo fulfills the conditions specified in the Act.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Maheshkumar Hariram Saboo as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution.

Except Mr. Maheshkumar Hariram Saboo, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.





L. P. Naval and Engineering Limited
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

DIRECTOR'S REPORT **TO THE MEMBERS,**

Your Directors take pleasure in presenting the 7th Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March 2018.

FINANCIAL PERFORMANCE/ STATE OF AFFAIRS:

During the financial year ended 31 March 2018, your Company has recorded a total revenues of Rs. 1,05,56,212/- against Rs. 2,26,48,747/- in the previous year, representing a decrease of 53.39%. During the year, the company has incurred loss of Rs. 1,13,16,602/- due to decrease in gross revenue. Financial performance of the Company for Financial Year 2017-18 is summarized below:

(Figure in rupees)

Particulars	2017-18*	2016-17*
Total Revenues	1,05,56,212	2,26,48,747
Expenses Before Depreciation & Amortization	1,94,72,811	2,06,30,253
Profit/ (Loss) Before Depreciation	(89,16,599)	20,18,494
Less: Depreciation & Amortization	15,21,936	12,85,298
Profit/ (Loss) before Exceptional & Extraordinary items & tax	(1,04,38,535)	7,33,196
Less: Exceptional items	8,07,894	--
Profit/ (Loss) before tax	(1,12,46,429)	7,33,196
Less: Tax Expenses		
- Current Tax	--	1,84,614
- Deferred Tax	69,583	36,875
- Income tax of earlier years	590	32,107
Net Profit/ (Loss) For The Year	(1,13,16,602)	4,79,600
Amount Transferred to Reserves (if any)	--	--

* Figures regrouped wherever necessary.

DIVIDEND:

Keeping in mind the overall performance and outlook for your Company, your Board of Directors recommend that this time the company is not declaring dividends as the company has made losses during the year. Your Directors are unable to recommend any dividend for the year ended 31st March, 2018

UNCLAIMED DIVIDEND:

There is no balance lying in unpaid equity dividend account.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2018 was Rs. 575.20 Lacs. There has been no change in the Equity Share Capital of the Company during the year.

EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return in Form No. MGT – 9 shall form part of the Board's report in **Annexure I**.

NUMBER OF MEETING HELD DURING THE YEAR

The Details of All meeting of Board of Directors and Committee meeting had taken place during the year and their details along with their attendance, is given in **Table 1 of Annexure II**.

Regd Office: Office Block, First Floor, Pl. No. 237/2 & 3, Sub. Pl. No. A/25, Central Park Soc. GIDC, Pandesara, Surat-39422, **E-mail:** cs@lpnaval.com, **WebSite:** www.sivishipping.com, **Tel. No.** 0261-2894415/16, **Fax No.** 0261- 2894419, **CIN:** L35111GJ2012PLC068922

CORPORATE GOVERNANCE

As per the Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Report of the Corporate Governance and the Certificate of the Auditors of the Company in respect of compliance thereof are appended hereto and forming part of this report; is given in **Annexure II**. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached in the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the year ended March 31, 2018, the applicable Accounting Standards have been followed and there are no material departures from the same;
- b. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2018 and of the Profit & Loss of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts of the Company on a 'going concern' basis; and
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

All the independent directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in section 149(6) of the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the Regulation 34 of SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report, is given in **Annexure III**.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no employee drawing remuneration in excess of limits prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosures pertaining to remuneration as required under section 197(12) of the companies act' 2013 read with rules 5 (1) of the companies (appointment and remuneration of managerial personnel) Amendment rules, 2016 are annexed in **Annexure IV**.

STATEMENT ON RISK MANAGEMENT:

During the financial year under review a statement on risk management including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company as per the provisions of Section 134(3) (n) of Companies Act, 2013; has been annexed in **Annexure V**.

STATUTORY AUDITORS

M/s. R. Kejriwal & Co., Chartered Accountants (having Firm Registration No 133558W) are Statutory Auditors of the Company, who were appointed in AGM held on 29.09.2014 holds office until the conclusion of the 7th Annual General Meeting. The Company has received letter from M/s R. Kejriwal & Co., Chartered Accountants, to the effect that their re-appointment as Statutory Auditors of the Company from the conclusion of 7th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act 2013.

SECRETARIAL AUDITOR

The Board had appointed Mr. Ranjit Kejriwal, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report is annexed herewith in **Annexure VI**. The secretarial Auditor's report is self explanatory and as such they do not call for further explanations.

INTERNAL AUDITOR

The Board has appointed V.M. Patel & Associates as Internal Auditor for the financial year 2017-18

COMMENTS ON AUDITOR'S REPORT

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS

The company has not given any loans or guarantees or made investments under section 186 (4) of Companies Act, 2013.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your Board endeavors that all contracts/ arrangements/transactions entered by the Company during the financial year with related parties are in the ordinary course of business and on an arm's length basis only. During the year under review the Company had not entered into transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on Related Party Transactions is uploaded on the website of the company. The web link is <http://www.sivishipping.com/resource/RPT.pdf>. Further all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis are attached herewith in FORM NO. AOC-2 in **Annexure VII**.

TRANSFER TO RESERVES:

Company has not transferred any amount from profit to general reserve.

MATERIAL CHANGES

There are no material changes occurred between the end of the financial year of the company to which the financial statement relates and the date of the report, which is affecting the financial position of the company. The name of the company has been changed from Siddhi vinayak Shipping Corporation Limited to L. P. Naval and Engineering Limited w.e.f 23rd may, 2018 and also new object in the Object Clause of the company was inserted therefore amending both AOA and MOA of the company.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND

R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The requirements for disclosure in respect of Conservation of Energy, Technology Absorption, in terms of Section 134(3) (m) of the Companies Act, 2013 read with the rule 8 of Companies (Accounts) Rules, 2014 are annexed herewith in **Annexure VIII**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive

contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Sanjaykumar Govind Prasad Sarawagi (DIN: 00005468), Executive Director, retire by rotation and is being eligible has offered himself for re-appointment at the ensuing Annual General Meeting and Mr. Maheshkumar Hariram Saboo (DIN: 01616969) is to be reappointed for a term of five years from this Annual General Meeting.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

The following changes have been made to the KMP of the Company during the year:

S. No	Name	Designation	AppointmentDate	Resignation Date
1	Ankita Ashokkumar Jain	Company Secretary	--	02/06/2017
2	Bhavesh kantibhai Vaghasiya	Company Secretary	02/06/2017	06/12/2017
3	Vinita Dinesh Agarwal	Company Secretary	06/12/2017	--

Note: Company Secretary Vinita Dinesh Agarwal resigned on 07/04/2018 and Mr. Kaushik Haribhai Vegad was appointed as Company Secretary on 07/04/2018.

PUBLIC DEPOSIT

The company has not accepted deposits from the public during the financial year under review within the meaning of Section 73 of the Act of the Companies Act 2013, read with Companies (Acceptance of Deposits) Rules, 2014

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a well placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of the internal auditor to the Audit Committee of the Board.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The companies act, 2013 re-emphasizes the need for an effective internal financial control system in the company. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial controls with reference to the financial statements to be disclosed in the board' report. The detailed report forms part of Independent Auditors Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has established a mechanism called Vigil Mechanism/Whistle Blower Policy for the directors and employees to report to the appropriate authorities off unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

The Vigil Mechanism/Whistle Blower Policy as approved by the Board is uploaded on the Company's website. The web link is http://www.sivishipping.com/resource/Vigil_Mechanism_Policy.pdf

STATUTORY INFORMATION

The Company being basically into the fabrication of ships & allied business and is the member of BSE SME Platform. Apart from this business, the Company is not engaged in any other business/activities.

INSURANCE

All the properties and the insurable interest of the company including building, plants and machinery and stocks wherever necessary and to the extent required have been adequately insured. The company keeps reviewing the insurance amount every year as per requirement.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is insignificant in relation to the nature size of operations of your Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company did not receive any complains on sexual harassment during the year 2017-18 and hence no complaints remain pending as of 31 March, 2018.

APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the company.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

For and on behalf of the Board of Directors

Sd/-

Sanjaykumar Govindprasad Sarawagi
Chairman
(DIN : 00005468)

Date: 28th June, 2018

Place: Surat



EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	: L35111GJ2012PLC068922
ii) Registration Date	: 07/02/2012
iii) Name of the Company	: L. P. NAVAL AND ENGINEERING LIMITED (Formerly Known as Siddhi Vinayak Shipping Corporation Limited)
iv) Category / Sub-Category of the Company	: Public Company/Company having share capital
v) Address of the registered office and contact details	: Office Block First Floor, Pl. No.237/2 & 3 Sub Pl.No.A/25, Central Park Soc., G.I.D.C, Pandesara, Surat-394221
vi) Whether listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri-East, Mumbai-400059 Ph: +91-022-62638200 Email: investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / Services	NIC Code of the Products/Services	% to total turnover of the company
1	Fabrication	30111	99.74%
2	Other Income	64199	0.26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1			NIL		



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning				No. of Shares held at the end				% Change during theyear
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
1. Indian:									
a. Individual/HUF	4168000	0	4168000	72.46	4168000	0	4168000	72.46	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.	0	0	0	0	0	0	0	0	0
d. Body Corporate	0	0	0	0	0	0	0	0	0
e. Banks/ FI	0	0	0	0	0	0	0	0	0
f. Any other(Specify)	0	0	0	0	0	0	0	0	0
i) Directors Relatives	0	0	0	0	0	0	0	0	0
ii) Group Companies	0	0	0	0	0	0	0	0	0
iii) Trusts	0	0	0	0	0	0	0	0	0
Total of (1)	4168000	0	4168000	72.46	4168000	0	4168000	72.46	0
2. Foreign									
a. NRI Individual	0	0	0	0	0	0	0	0	0
b. Other Individual	0	0	0	0	0	0	0	0	0
c. Body Corporate	0	0	0	0	0	0	0	0	0
d. Banks/ FI	0	0	0	0	0	0	0	0	0
e. Any other	0	0	0	0	0	0	0	0	0
Total of (2)	0	0	0	0	0	0	0	0	0
Total A (1+2)	4168000	0	4168000	72.46	4168000	0	4168000	72.46	0
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks/ FI	0	0	0	0	0	0	0	0	0
c. Central Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (Market Maker)	0	0	0	0	0	0	0	0	0
Total of (1)	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a. Body Corporate									
i. Indian	348000	0	348000	6.05	501000	0	501000	8.71	2.66
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	393000	0	393000	6.83	339000	0	339000	5.89	(0.94)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	825000	0	825000	14.34	744000	0	744000	12.93	(1.41)
c. Others(Clearing Member)	18000	0	18000	0.31	0	0	0	0	(0.31)
Total of (2)	1584000	0	1584000	27.54	1584000	0	1584000	27.54	0
Total B (1+2)	1584000	0	1584000	27.54	1584000	0	1584000	27.54	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Total A+B+C	5752000	0	5752000	100	5752000	0	5752000	100	0



ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	%of Shares Pledged / encumbered to total shares	
1.	Manojkumar Govindprasad Sarawagi	3261000	56.70%	0	3261000	56.70%	0	0
2.	Rakeshkumar Govindprasad Sarawagi	303700	5.28%	0	303700	5.28%	0	0
3.	Sanjaykumar Govindprasad Sarawagi	303000	5.27%	0	303000	5.27%	0	0
4.	Govindprasad G Sarawagi	300000	5.21%	0	300000	5.21%	0	0
5.	Manojkumar Sarawagi (HUF)	100	0.0017%	0	100	0.0017%	0	0
6.	Sarladevi Manojkumar Sarawagi	100	0.0017%	0	100	0.0017%	0	0
7.	Sujata Rakeshkumar Sarawagi	100	0.0017%	0	100	0.0017%	0	0
	Total	4168000	72.46%	0	4168000	72.46%	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
	At the Beginning of the year	4168000	72.46%	4168000	72.46%
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	4168000	72.46%	4168000	72.46%

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1.	MIKER FINANCIAL CONSULTANTS PVT LTD				
	At the Beginning of the year	120000	2.09%	120000	2.09%
	Date wise Increase/Decrease in Promoters Share holding during theyear specifying the reasonsfor increase / decrease(e.g. allotment / transfer/ bonus/sweat equity etc):	07/04/17 Transfer 18000		138000	
		26/05/17 Transfer 3000		141000	
		02/06/17 Transfer 6000		147000	
		09/06/17 Transfer 9000		156000	
		23/06/17 Transfer 15000		171000	
		30/06/17 Transfer 42000		213000	
		07/07/17 Transfer 18000		231000	
		20/10/17 Transfer (66000)		165000	
		02/02/18 Transfer 12000		177000	
		09/02/18 Transfer 24000		201000	
	At the end of the year	201000	3.49%	201000	3.49%
2.	THAKURJI INTERNATIONAL PRIVATE LIMITED				
	At the Beginning of the year	0	-	0	-
	Date wise Increase/Decrease in Promoters Share holding during theyear specifying the reasonsfor increase / decrease(e.g. allotment / transfer/ bonus/sweat equity etc):	20/10/17 Transfer 120000		120000	
		27/10/17 Transfer 54000		174000	
	At the end of the year	174000	3.03%	174000	3.03%
3.	MANGESH K KANGUTKAR				
	At the Beginning of the year	0	-	0	-
	Date wise Increase/Decrease in Promoters Share holding during theyear specifying the reasonsfor increase / decrease(e.g. allotment / transfer/ bonus/sweat equity etc):	21/04/17 Transfer 102000		102000	
		17/11/17 Transfer 9000		111000	
	At the end of the year	993000	1.93%	2742000	1.93%

4.	SONU PRAVIN DADLIKA					
	At the Beginning of the year			114000	1.98%	114000 1.98%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	17/11/17	Transfer	(9000)		105000
	At the end of the year			122700 0	1.83%	105000 1.83%
5.	SUMIT KHETAN					
	At the Beginning of the year			90000	1.56%	90000 1.56%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Nil		90000
	At the end of the year			90000	1.56%	90000 1.56%
6.	VINODKUMAR R MALI					
	At the Beginning of the year			117000	2.03%	117000 2.03%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	27/10/17	Transfer	(54000)		63000
		15/12/17	Transfer	15000		78000
	At the end of the year			78000	1.36%	78000 1.36%
7.	DEEPALI AMIT SINGHAL					
	At the Beginning of the year			69000	1.20%	69000 1.20%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Nil		Nil
	At the end of the year			69000	1.20%	69000 1.20%
8.	USHA PRADEEP SINGHAL					
	At the Beginning of the year			66000	1.15%	66000 1.15%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NIL		NIL
	At the end of the year			66000	1.15%	66000 1.15%
9.	NEETA DEVI KHAITAN					
	At the Beginning of the year			60000	1.04%	60000 1.04%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NIL		NIL
	At the end of the year			60000	1.04%	60000 1.04%
10.	UJAWAL TRENDZ					
	At the Beginning of the year			57000	0.99%	57000 0.99%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Nil		Nil
	At the end of the year			57000	0.99%	57000 0.99%



v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	MANOJKUMAR GOVINDPRASAD SARAWAGI				
	At the Beginning of the year	3261000	56.69%	3261000	56.69%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL		NIL	
	At the end of the year	3261000	56.69%	3261000	56.69%
2	RAKESHKUMAR GOVINDPRASAD SARAWAGI				
	At the Beginning of the year	303700	5.28%	303700	5.28%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL		NIL	
	At the end of the year	303700	5.28%	303700	5.28%
3	SANJAYKUMAR GOVINDPRASAD SARAWAGI				
	At the Beginning of the year	303000	5.27%	303000	5.27%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL		NIL	
	At the end of the year	303000	5.27%	303000	5.27%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning				
i) Principal Amount	33,61,848	4,03,96,603	-	4,37,58,451
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	33,61,848	4,03,96,603	-	4,37,58,451
Change in Indebtedness during the year				
· Addition	0	3,45,51,772	-	3,45,51,772
· Reduction	-29,30,988	0	-	-29,30,988
Net Change	-29,30,988	3,45,51,772	-	3,16,20,784
Indebtedness at the end				
i) Principal Amount	4,30,860	7,49,48,375	-	7,53,79,235
ii) Interest due but not paid	-	-	-	0
iii) Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	4,30,860	7,49,48,375	-	7,53,79,235

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing director, Whole-time Directors and/ or Manager:

S. No.	Particulars of Remuneration	Name of Manager Amit Khandelwal	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,71,000	9,71,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -	-	-
	-as % of Profit	-	-
	-Others, Specify	-	-
5	Others, please specify	-	-
	Total (A)	9,71,000	9,71,000
	Ceiling as per the Act	84 lakhs p.a	84 lakhs p.a

Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Director				
	a. Fees for attending board/committee meeting	NIL			NIL
	b. Commission				
	c. Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	a. Fees for attending board/committee meeting	NIL			NIL
	b. Commission				
	c. Others, please specify				
	Total (2)				
	Total (B) = (1+2)	NIL			NIL
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

B. Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD :

Sr. No.	Particulars	Key Managerial Personnel				
		Ankita Ashok Jain (CS)	Bhavesh Vaghasiya (CS)	Vinita Agarwal (CS)	Mustafa Moiz Haji (CFO)	Total
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,02,227	1,06,861	64,871	5,01,000	7,74,959
	(b) Value of perquisites/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission -	-	-	-	-	-
	as % of Profit	-	-	-	-	-
	Others, Specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	1,02,227	1,06,861	64,871	5,01,000	7,74,959
	Ceiling as per the Act					

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Breif Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTOR					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

For L. P. NAVAL AND ENGINEERING LIMITED

<p>Date: 28th June, 2018 Place: Surat</p>	<p>For and on behalf of the Board of Directors</p> <p>Sd/- Sanjaykumar Govindprasad Sarawagi Chairman (DIN : 00005468)</p>
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L. P. Naval and Engineering Limited
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

CORPORATE GOVERNANCE

Annexure II

The disclosure requirements of Corporate Governance under Regulation 34(3) read with Schedule-V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) are given below:

1. COMPANY’S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company’s philosophy on Corporate Governance is to strive to do the right things, we explore innovative ideas and thinking with positive outlook. We stand and deliver our promises by adhering to highest standard of business ethics. We believe integrity is the foundation of our individual and corporate actions drives our organization to make it vibrant. Our organization is based on trust between the different element of our organization with honesty and credibility. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices.

2. BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has optimum combination of Non-Executive and Independent Directors comprising three Executive Non Independent Directors and three Non Executive Independent Directors.

None of the Directors hold directorship in more than 20 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

As of March 31, 2018, the Board consisted of six members. The Composition and the category of Directors on the Board of the Company were as under:

(a) Board Strength and representation:

Category	Name of Director
Executive Director	Mr. Manojkumar Govind Prasad Sarawagi Mr. Sanjaykumar Govind Prasad Sarawagi Mr. Rakeshkumar Govind Prasad Sarawagi
Non Executive Independent Director	Mrs. Ruchita Amit Mittal Mr. Maheshkumar Hariram Saboo Mrs. Pratibha Pankaj Gulgulia

The Details of Directorship held by the Directors as on 31st March, 2018 and their attendance at the Board meetings during the year are as follows:

Name of Directors	Category		No. of shares held	No. of Board meetings held during the financial year 2017-18	No. of Board meetings as attended by the Directors during the financial year 2017-18	Attendance the Last AGM	No. of Committee positions held including the Company**
	PD/NPD*	ED/NED/ID*					
Mr. Sanjaykumar Govind Prasad Sarawagi	PD	ED	3,03,000	14	14	Yes	0
Mr. Manojkumar Govind Prasad Sarawagi	PD	ED	32,61,000	14	13	Yes	0
Mr. Rakeshkumar Govind Prasad Sarawagi	PD	ED	3,03,700	14	14	Yes	1
Mrs. Pratibha Pankaj Gulgulia	NPD	NED/ID	NIL	14	14	Yes	2
Mrs. Ruchita Amit Mittal	NPD	NED/ID	NIL	14	14	Yes	3
Mr. Maheshkumar Hariram Saboo	NPD	NED/ID	NIL	14	14	Yes	3

* PD - Promoter Director; NPD - Non-Promoter Director; ED - Executive Director; NED - Non-Executive Director; ID - Independent Director.

** Membership / Chairman of only Audit Committee and Shareholders’ / Investors’ Grievance Committee and Nomination & Remuneration Committee in Public limited companies have been considered.

Note: All the Executive Directors are brother

Regd Office: Office Block, First Floor, Pl. No. 237/2 & 3, Sub. Pl. No. A/25, Central Park Soc. GIDC, Pandesara, Surat-39422, **E-mail:** cs@lpnaval.com, **WebSite:** www.sivishipping.com, **Tel. No.** 0261-2894415/16, **Fax No.** 0261- 2894419, **CIN:** L35111GJ2012PLC068922

(b) Details of number of Board Meetings held in the financial year.

During the financial year 2017-18, Fourteen (14) Meetings of the Board of Directors were held on the following dates:

19/04/17 26/05/17 02/06/17 15/07/17 21/07/17 02/08/17 05/08/17
14/09/17 13/10/17 14/11/17 06/12/17 12/01/18 10/03/18 23/03/18

(c) Familiarization to Independent Directors:

The Independent Directors of the Company are familiarized with the various aspects of the Company provided with an overview of the requisite criteria of independence, roles, rights, duties and responsibilities of directors, terms of appointment of the Company and policies of the Company and other important regulatory aspects as relevant for directors.

The Company, through its Executive Director or Manager as well as other Senior Managerial Personnel, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the company inclusive of important developments in business. The details of number of programs attended and the cumulative hours spent by an independent director are uploaded on the website of the company. The web link is

http://www.sivishipping.com/resource/Familiarisation_of_Independent_Director.pdf

Meeting of Independent Director

During the financial year 2017-18 one meeting of Independent Director was held on the following date:
23/03/2018

Attendance of Directors at Independent Directors meeting held during the financial year is as under:

Name of Directors	Categories	No. of Meeting Attended
Mr. Maheshkumar Hariram Saboo	Chairman	1
Mrs. Ruchita Amit Mittal	Member	1
Mrs. Pratibha Pankaj Gulgulia	Member	1

3. AUDIT COMMITTEE

The Audit Committee of L. P. NAVAL AND ENGINEERING LIMITED consists of two Independent Directors and one Executive Director of the Company. All the Directors have good understanding of Finance, Accounts and Law. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Compliance Officer of the Company acts as the Secretary to the Audit committee.

The Terms of reference of the Audit Committee are in accordance with all the items listed in Regulation 18(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 are as follows:

The role of the audit committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue

- (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. approval or any subsequent modification of transactions of the listed entity with related parties;
 9. scrutiny of inter-corporate loans and investments;
 10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
 11. evaluation of internal financial controls and risk management systems;
 12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. discussion with internal auditors of any significant findings and follow up there on;
 15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. discussion with statutory auditors before the audit commences, about
 17. the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. to review the functioning of the whistle blower mechanism;
 19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition and attendance at Meetings:

The Chairperson of the Audit Committee is Mrs. Ruchita Amit Mittal has attended all the meetings during the financial year under review.

Name of Directors	Categories	Nature of Directorship
Mrs. Ruchita Amit Mittal	Chairperson	Independent Woman Director
Mr. MaheshKumar Hariram Saboo	Member	Independent Director
Mr. Rakeshkumar Govind Prasad Sarawagi	Member	Executive Director

During the financial year 2017-18, Four Meetings of Audit Committee were held on following dates:
15/05/2017 13/09/2017 14/11/2017 10/03/2018

Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Directors	Categories	No. of Meeting Attended
Mrs. Ruchita Amit Mittal	Chairperson	4
Mr. MaheshKumar Hariram Saboo	Member	4
Mr. Rakeshkumar Govind Prasad Sarawagi	Member	4

4. NOMINATION AND REMUNERATION COMMITTEE:

Your Company constituted a Nomination & Remuneration Committee to look into the matters pertaining to remuneration of executive and non executive directors. The Nomination & Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on April 30, 2014.

The Board of Directors ('the Board') of **L. P. NAVAL AND ENGINEERING LIMITED ("the Company")** reviewed and revised the charter of Nomination & Remuneration Committee" approved at the Board Meeting held on March 26, 2016. The detailed Nomination & Remuneration Policy is uploaded on the website of the Company. The web link is http://www.sivishipping.com/resource/Remuneration_Policy.pdf

Further in terms of Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee is required to formulate a criteria for evaluation of performance of Independent Directors and the Board of Directors. The criteria is available on the link http://www.sivishipping.com/resource/Policy_for_Evaluation_of_Board.pdf

Composition of the Nomination & Remuneration Committee and attendance at Meetings:

The composition of Nomination & Remuneration Committee has been as under;

Name of Directors	Categories	Nature of Directorship
Mr. MaheshkumarHariram Saboo	Chairman	IndependentDirector
Mrs. Ruchita Amit Mittal	Member	IndependentWoman Director
Mrs. PratibhaPankaj Gulgulia	Member	IndependentWoman Director

During the financial year 2017-18 two (2) meetings of the Nomination & Remuneration Committee were held on following dates: 02/06/2017 06/12/2017

Attendance of the Directors at the Nomination & Remuneration Committee Meetings held during the financial year is as under:

Name of Directors	Categories	No. of Meeting Attended
Mr. MaheshkumarHariram Saboo	Chairman	2
Mrs. Ruchita Amit Mittal	Member	2
Mrs. PratibhaPankaj Gulgulia	Member	2

5. REMUNERATION OF DIRECTORS

During the financial year under review the company did not pay any remuneration or sitting fees to any of the directors of the Company.

6. STAKEHOLDERS, SHAREHOLDERS'/ INVESTOR'S GRIEVANCES COMMITTEE

Your Company has constituted a shareholder / investors grievance committee ("Stakeholders, Shareholders / Investors Grievance Committee") to redress the complaints of the shareholders.

The Stakeholders, Shareholder/Investors Grievance Committee shall oversee all matters pertaining to investors of our Company. Mr. Maheshkumar Hariram Saboo (Non Executive Independent Director) is heading the Committee.

Composition of the Stakeholders, Shareholders/Investors Grievance Committee and attendance at Meetings:

The composition of Stakeholders, Shareholders/Investors Grievance Committee has been as under;

Name of Directors	Categories	Nature of Directorship
Mr. MaheshkumarHariram Saboo	Chairman	IndependentDirector
Mrs. Ruchita Amit Mittal	Member	IndependentWoman Director
Mrs. PratibhaPankaj Gulgulia	Member	IndependentWoman Director

During the financial year 2017-18, four (4) meetings of Stakeholders, Shareholders'/ Investors Grievance Committee were held on following dates: 19/04/17 15/07/17 12/10/17 11/01/18

Attendance of the Directors at the Stakeholders, Shareholders'/ Investors Grievance Committee Meetings held during the financial year is as under:

Name of Directors	Categories	No. of Meeting Attended
Mr. MaheshkumarHariram Saboo	Chairman	4
Mrs. Ruchita Amit Mittal	Member	4
Mrs. PratibhaPankaj Gulgulia	Member	4

Name & Designation and address of the Compliance Officer

Mr. Kaushik Haribhai Vegad – Company Secretary
L. P. NAVAL AND ENGINEERING LIMITED
(Formerly known as Siddhi Vinayak Shipping Corporation Ltd.)

Office Block First Floor, Pl. No. 237/2 & 3,
Sub Pl. No. A/25, Central Park Society,
GIDC, Pandesara, Surat-394 221

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

Status of Complaints received, resolved and pending as on 31st March, 2018

Number of Shareholders' Complaints Pending at the end of the year	Nil
Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints disposed during the year	Nil
Number of Shareholders' Complaints remain unresolved during the year	Nil

7. GENERAL BODY MEETINGS

The details of Annual General Meetings held during the last three years are as follows:

Years	Day, Date and Time	Venue	No. of Special Resolutions passed
2014-15	Friday, 24 th July, 2015 at 11.30 A.M.	Office Block 1st Floor, Plot No. 237/2 & 3, Sub Plot No. A/25, Central Park Society, GIDC, Pandesara, Surat-394 221	0
2015-16	Saturday, 27 th August, 2016 at 11.30 A.M.	Office Block 1st Floor, Plot No. 237/2 & 3, Sub Plot No. A/25, Central Park Society, GIDC, Pandesara, Surat-394 221	0
2016-17	Thursday, 14 th September, 2017 at 11.30 A.M.	Office Block 1st Floor, Plot No. 237/2 & 3, Sub Plot No. A/25, Central Park Society, GIDC, Pandesara, Surat-394 221	1

The details of Resolution(s) which were passed in the last three Annual General Meetings ("AGM") of the Company along with details of Ballot & voting pattern are as follows:

AGM Date	Resolution	Ordinary/ Special	Favor		Against	
			Ballot	E- Votes	Ballot	E-Votes
24 th July 2015	Adoption of Annual Accounts, Auditors report & Directors report	Ordinary	3864200	348700	0	0
	Reappointment of Director Liable to retire by rotation	Ordinary	3864200	348700	0	0
	Ratification of Auditor	Ordinary	3864200	348700	0	0
	Appointment of Independent Director Mrs. Pratibha Gulgulia	Ordinary	3864200	348700	0	0
	Appointment of Manager (Amit Khandelwal)	Ordinary	3864200	348700	0	0
27 th August 2016	Adoption of Annual Accounts, Auditors report & Directors report	Ordinary	3912100	462700	0	0
	Reappointment of Director Liable to retire by rotation	Ordinary	3912100	462700	0	0
	Ratification of Auditor	Ordinary	3912100	462700	0	0
14 th September 2017	Adoption of Annual Accounts, Auditors report & Directors report	Ordinary	561700	3864000	0	0
	Reappointment of Director Liable to retire by rotation	Ordinary	258000	0	0	0
	Ratification of Auditor	Ordinary	561700	3864000	0	0
	Approve Material Related Party Transactions	Special	258000	0	0	0

8. MEANS OF COMMUNICATION

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Regulation and also uploaded on the Company's website – www.sivishipping.com

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website – www.sivishipping.com

9. GENERAL SHAREHOLDER INFORMATION

- (a) **Annual General Meeting** : 7th Annual General Meeting
Day, Date, Time & Venue : Monday, 30th July, 2018 at 11.00 A.M.
 Office Block First Floor Pl. No.237/2 & 3 Sub
 Pl.No.A/25 Central Park Soc., G.I.D.C Pandesara, Surat,
 Gujarat 394221

(b) **Financial Year/Calendar: (tentative):**

The Financial Year of the company is from April 1 to March 31 of the following year.

(c) **Date of Book Closures** : 25.07.2018 to 30.07.2018 (both days inclusive)

(d) **Listed on Stock Exchanges** : SME Platform of BSE Limited, P.J. Towers, Dalal Street, Mumbai. 400001
 Annual listing fees for the financial year 2017-18 were paid to BSE Limited timely.

(e) **Scrip Code/ ID**: 537669/LPNAVAL

(f) **Market Price Data** :

Table below gives the monthly high and low prices and volumes of M/s. L. P. NAVAL AND ENGINEERING LIMITED equity shares at SME Platform of BSE Limited for the year 2017-18:

Month	High Price (in Rs.)	Low Price (in Rs.)
Apr-17	36.50	34.00
May-17	51.25	36.30
Jun-17	52.00	48.40
Jul-17	52.00	52.00
Aug-17	48.90	46.80
Sep-17	45.00	45.00
Oct-17	51.65	36.40
Nov-17	39.00	39.00
Dec-17	58.15	45.35
Jan-18	62.00	51.90
Feb-18	56.00	56.00
Mar-18	60.15	55.00

(g) **Performance in comparison to other indices:**

Table below gives the performance comparison of M/s. L. P. NAVAL AND ENGINEERING LIMITED to BSE Sensex and BSE SME for the F.Y.2017-18 on month to month closing figures:

Month	BSE Sensex	Change in %	BSE SME IPO	Change in %	L P NAVAL (Closing Price at BSE)	Change in %
April 2017	29918.40	1.01	1337.71	3.79	36.40	7.06
May 2017	31145.80	4.10	1326.77	-0.82	50.85	39.70
June 2017	30921.61	-0.72	1400.80	5.58	50.00	-1.67
July 2017	32514.94	5.15	1531.73	9.35	52.00	4.00
August 2017	31730.49	-2.41	1521.99	-0.64	48.90	-5.96
September 2017	31283.72	-1.41	1475.52	-3.05	45.00	-7.98
October 2017	33213.13	6.17	1702.10	15.36	38.85	-13.67
November 2017	33149.35	-0.19	1847.50	8.54	39.00	0.39
December 2017	34056.83	2.74	2069.05	11.99	57.65	47.82
January 2018	35965.02	5.60	2003.84	-3.15	57.00	-1.13
February 2018	34184.04	-4.95	1959.47	-2.21	56.00	-1.75
March 2018	32968.68	-3.56	1854.24	-5.37	58.65	4.73

(h) Registrar & Transfer Agents:

Bigshare Services Private Limited
 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
 Makwana Road, Marol, Andheri-East, Mumbai-400059
 Telephone : +91-022-62638200
 Email: investor@bigshareonline.com
 Website: www.bigshareonline.com

(i) Share Transfer System: All shares are held in Demat Form.

(j) Distribution of Shareholdings as on 31st March, 2018:

Share Holding of Nominal Value Rs.	Number of Shareholders	Percentage of Total	Share Amount Rs.	Percentage of Total
Upto 5000	3	3.30	3000	0.005
20001 - 30000	14	15.38	420000	0.730
50001 - 100000	51	56.05	3120000	5.424
100001 - 57520000	23	25.27	53977000	93.840
Total	91	100.00	57520000	100.00

Category	Total Shareholders	No of Shares held	Shareholding %
Promoter & Promoter Group	7	4168000	72.46
Corporate Bodies	7	501000	8.71
Public	77	1083000	18.83
Total	91	5752000	100.00

Dematerialization of Shares and Liquidity:

As on 31st March, 2018, a total of 57,52,000 equity shares equivalent to 100% of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialized form.

The equity shares of the company are traded on the SME platform of BSE Limited.

(k) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: NIL

(l) Plant Locations: Not Applicable

(m) Address for Correspondence:

Company & Registered Office: L. P. NAVAL AND ENGINEERING LIMITED

(Formerly known as Siddhi Vinayak Shipping Corporation Limited)
 Office Block, First Floor, Pl. No. 237/2 & 3 Sub Pl. No. A-25,
 Central Park Society, GIDC, Pandesara, Surat-394221
 Tel No. +91 261 2894415/16
 Email: cs@lpnaval.com
 Website: www.sivishipping.com

10. DISCLOSURES**Related Party Transaction**

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The Audit Committee reviews the transactions. The policy has been disseminated on the website of the Company. The policy for Related Party Transaction is provided in link <http://www.sivishipping.com/policies.aspx?MenuId=null&bName=default.jpg>

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India (SEBI) / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Whistle Blower Policy/Vigil Mechanism Policy

The Company has a formal Whistle Blower Policy/ Vigil Mechanism Policy. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

Mandatory & Non Mandatory Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance and endeavors to adopt good corporate governance practices which help in adoption of non mandatory requirements.

11.DISCRETIONARY REQUIREMENTS

The Board

The chairperson of the company is an Executive Director.

Shareholder Rights

Half yearly declaration of financial performance is uploaded on the website of the company as soon as it is intimated to the stock exchange.

Modified opinion(s) in audit report

Standard practices and procedures are followed to ensure unmodified financial statements.**Separate**

posts of chairperson and chief Executive Officer

The company has a separate post of chairperson.

Reporting of Internal Auditor

The Company has appointed M/s V. M. Patel & Associates as the Internal Auditor of the Company for the F.Y. 2018-19. The Internal Auditor reports to the Audit Committee periodically with Internal Audit Report prepared on monthly basis.

DECLARATION

All the Members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2018 as applicable to them as laid down in SEBI (Listing Obligation And Disclosure Requirements), Regulations 2015 with the code of conduct of Board of directors and senior management.

For and on behalf of the Board of Directors

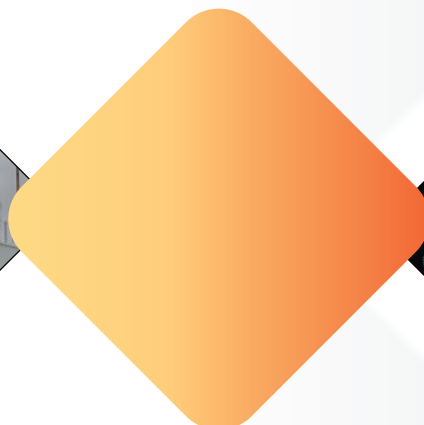
Sd/-

Sanjaykumar Govindprasad Sarawagi
Chairman

(DIN : 00005468)

Date: 28th June, 2018

Place: Surat



R Kejriwal & Co.
Chartered Accountants

2, Aastha, 2/906, Hira Modi Sheri, Ring Road, Surat -395002
Email: auditrkejriwal@gmail.com Ph: 0261-2355984

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
L. P. Naval and Engineering Limited
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

We have examined the compliance of the conditions of Corporate Governance by L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited (The Company) CIN: L35111GJ2012PLC068922; for the year ended 31st March 2018 as stipulated in Regulation 27(2) of SEBI (Listing Obligation And Disclosure Requirements), Regulations 2015 of the said Company with BSE Ltd.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligation And Disclosure Requirements), Regulations 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For R Kejriwal & Co.
Chartered Account
(FRN : 133558W)

Date: 28th June, 2018
Place: Surat

Sd/-
Vishal Joshi
Partner
M.No. 427019
AAPFR9048C





L. P. Naval and Engineering Limited
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure III

In terms of Regulation 34 of SEBI (Listing Obligations And Disclosure Requirements), Regulations, 2015 the Management Discussion and Analysis Report (MDAR) is structured as follows:

- Industry structure and developments
- Opportunities & Threats
- Segment-wise or product-wise performance
- Outlook
- Risk and Concerns
- Internal Control System
- Financial and operational performance
- Material Development in Human Resources

Some Statements in this discussion may be forward looking. Future performance may however differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, etc.

MARKET TREND & ECONOMY

The Indian Shipbuilding and Ship Repair industry primarily comprises firms that develop, build and repair - ships, underwater equipment and naval architectures for the shipping industry, fishing industry, naval defence and extraction of ocean resources. The shipbuilding industry is a strategically important industry due to its role in energy security, national defence and for developing heavy engineering industry. A growing Indian economy, favourable government policies and incentives framework, a long coastline and growing sea borne trade present a huge business opportunity within the Indian Shipbuilding Ship Repair and Ship Recycling industry. Bulk carriers (within large sea going vessels segment) and offshore vessels (within medium size specialized vessels segment) hold maximum demand as per the current order book of the major Indian Shipbuilding companies.


The government has granted infrastructure status to shipyard industry, with the infrastructure status, shipyard industry will be able to avail flexible structuring of long-term project loans, long-term funding from infra funds at lower interest rates and longer tenure equivalent to the economic life of their assets, relaxed ECB norms, issuance of infrastructure bonds for meeting working capital requirements as well as benefits under Income Tax Act, 1961.

According to the statement of Ministry of Shipping "The Institutional Mechanism on Infrastructure chaired by Secretary, Department of Economic Affairs has recommended inclusion of shipyards undertaking shipbuilding and ship-repair under the harmonized list of infrastructure sectors," the government has exempted customs and central excise duties on inputs utilized for the purpose of manufacture of ships.

The Engineering Services sector includes broad spectrum of consulting, engineering and analytical services to aid and support companies in manufacturing, automobiles, oil and gas, IT services etc. This is sector which provided both pivotal and ancillary support to wide variety of industries.

The growth in this sector is dependent upon the broad economy and investment and growth in manufacturing sectors. With the world economy looking up this sector is poised to grow. The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.





Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

* - According to the *Global Manufacturing Competitiveness Index* published by Deloitte

OPPORTUNITIES & THREATS

The ship-building market is currently on a downturn with excess capacities globally. India can prepare itself for the upturn target a 10 million GT ship-building industry by 2025, through a comprehensive model of industry imperatives and government support.

Three marine clusters for India could include:

- Gujarat - Combining the steel cluster at Hazira, upcoming automobile cluster at Sanand, Shipyard at Pipavav, Ship-breaking yard at Alang, and Gujarat International Finance Tec-City.
- Tamil Nadu - Combining the automotive clusters at Chennai and Ennore and proposed new steel cluster near Chennai/Ennore.
- Andaman & Nicobar Islands – Marine cluster to leverage the potential of the region for tourism and possibly MRO services for ships passing through the international east-west trade route.

The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing costs, technology and innovation. The above, coupled with favorable regulatory policies and growth in the manufacturing sector has enabled several foreign players to invest in India.

The foreign direct investment (FDI) inflows into India's miscellaneous mechanical

and engineering industries during April 2000 to December 2017 stood at around US\$ 3.39 billion, as per data released by the Department of Industries Policy and Promotion (DIPP).

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

In recent years, shipyards have been starting to implement more of advanced outfitting. When we look at conventional shipbuilding processes, the vessel hull is first fabricated on the dock and the outfitting is started only after launching the hull from the berth. This costs a lot of time that can be minimized with the concept of advanced outfitting.

Advanced outfitting concept involves assembling the outfit components like machinery, seating structures and piping etc into a small unit that is then fixed at the planned position in the hull block itself. Steel structure & outfit component units are developed at the same time rather than waiting to complete the erection the vessel hull before outfit components can be installed.

Shipyards that practice such innovative concept claim that building cycle time can be substantially reduced. From ultra efficient propeller designs, to no-ballast systems and efficient solar cell integration, it is undeniable that shipbuilding industry is constantly breaking through in terms of building the GEENEST ship possible.

The Engineering Services companies need to evolve with the evolving needs of their customer. A lot of the firms have started providing end to end solutions from conceptualization to final execution. Innovation, customer centric approach, skilled manpower, project management, speed of delivery and service quality are biggest differentiators in this industry.



OVERVIEW & OUTLOOK

Indian Shipbuilding industry is at an early stage but has to compete against established yards in Korea and China to grab a share of the market. Its lower scale leads to several disadvantages in design and manpower costs. Leading shipbuilding countries support the industry by creating enabling policies for development of technical and manpower capabilities.

There is an increased focus by Indian shipbuilders on developing design capabilities either in house or through established bodies like National Ship Design Research Centre (NSDRC). However, it may still take some time for India to mitigate this cost disadvantage which clearly depends on their ability to attract orders and offset a share of profit in these areas.

Commercial shipbuilding demand is determined by international and domestic trade, the health of the global economy, and rate of fleet replacement due to age or obsolescence. Small companies usually specialize in building and repair of small commercial vessels. Large companies tend to offer a wide range of building and repair services for both commercial and military vessels, and enjoy economies of scale in purchasing, design, and manufacturing.

The engineering sector is a growing market. Spending on engineering services is projected to increase to US\$ 1.1 trillion by 2020.

India's capital good sector is expected to triple in size to Rs 7.5 trillion (US\$ 116 billion) and add 21 million jobs by 2025.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up

or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

RISK AND CONCERNS

The global trade is faced with two main areas of uncertainties, one the policy changes that the US Administration might implement in the near future and two the impact of UK's exit from the European Union. Any adverse movement in any of these two events is likely to impact the growth in the trade and impact the shipping lines. In India, the imports have been strong and are likely to maintain the trend. In case of below normal monsoon, it could have an adverse impact on the consumption pattern in the rural areas.

The cyclical nature of the industry and the slow speed of project finalization and approval can adversely affect the industry. A downturn or slowdown in the manufacturing can impact business growth and prospects.

INTERNAL CONTROL SYSTEM

The Company has in place an adequate system of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.



FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company has seen some troubled times in last couple of years especially the last financial year due to adverse market condition and our excessive dependence on the Ship building sector which itself was very sluggish. But the worst is behind us and we have come out stronger through the challenge and ready to take our company to the next phase of growth.

We have spent last one year in building expertise and capacity in areas like engineering services, manufacture, repair and maintenance of pressure vessels, shutdown maintenance projects and machining. All these needed investment in terms of recruiting and training man-power, tools & tackles, consumables which have adversely affected our top line and bottom line. Building anything takes time and building something qualitative takes time, efforts and money. This investment is going to payoff in this and coming years. We have already made breakthroughs in some of the areas like Defence related work, Shut down Projects and Machining. The coming few years will be exciting and challenging at the same and your company will continue to strive for excellence with economic value addition. The company also continues to operate on ship fabrication and other allied activities during the financial year under review. Your Company has recorded total revenue of Rs. 1,05,56,212/-, Net Loss after tax for the Financial Year stood at Rs. (1,13,16,602)/- and recorded an EBIDTA of Rs. (71,75,272)/- as standalone basis for the financial year under consideration.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. Taking into this account, your Company continued to Invest in developing its human capital and establishing its brand on the market to attract and retain the best talent.

Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintain good relations with the employees.

CAUTIONARY STATEMENT

The report may contain certain statements that the Company believes are, or may be considered to be "forward looking statements" that describe our objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but not limited to, government action, economic development and risks inherent in the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.

Date: 28th June, 2018
Place: Surat

For and on behalf of the Board of Directors

Sd/-
Sanjaykumar Govindprasad Sarawagi
Chairman
(DIN : 00005468)



Annexure IV

The Disclosures pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rules 5(1) of the companies (appointment and remuneration of managerial personnel) Amendment rules, 2016 are as under:

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for F.Y. 2017-18 (in rupees)	% increase in Remuneration in the F.Y. 2017-18	Ratio of Remuneration of each Director/ to median remuneration of employees
1.	Sanjay Kumar G Sarawagi* Executive Director & Chairman	N.A.		
2.	Manojkumar G Sarawagi * Executive Director	N.A.		
3.	Rakeshkumar G Sarawagi* Executive Director	N.A.		
4.	Maheshkumar Hariram Saboo * Non- Executive Director	N.A.		
5.	Ruchita Amit Mittal* Non- Executive Director	N.A.		
6.	Pratibha Gulgulia* Non- Executive Director	N.A.		
7.	Ankita Ashok Jain** Company Secretary	1,02,227	NA	
8.	Bhavesh Kantibhai Vaghasiya** Company Secretary	1,06,861	NA	
9.	Vinita Dinesh Agarwal*** Company Secretary	64, 871	NA	
11.	Mustafa Moiz Haji Chief Financial Officer	5,01,000	87.64%	
12.	Amit Khandelwal Manager	9,71,000	24.49%	

- (ii) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2017-18:

Sr	Name	Designation	Remuneration Received during 2017-18	Nature Of Employment, Whether Contractual Or Otherwise	Qualifications And Experience Of The Employee	Date Of Commencement Of Employment	The Age Of Such Employee As On 31.03.18	The Last Employment Held By Such Employee Before Joining The Company	The Percentage Of Equity Shares Held By The Employee In The Company Within The Meaning Of Clause (iii) Of Sub-Rule (2) Above	Whether Any Such Employee Is A Relative Of Any Director Or Manager Of The Company And If So, Name Of Such Director Or Manager	Nature Of Relative
1	Amit Khandelwal	Manager	971000	Permanent	B. Sc., MBA, Experience 16 Years	24/07/2015	41	Tapti Valley School	--	--	--
2	Amarkumar J Trivedi	Technical Manager	811154	Permanent	Diploma Mechanical Engineer, Experience 12 Years	05/02/2013	37	Inland Marine Works Pvt.Ltd. Bhavnagar	--	--	--
3	Mustafa M Haji	CFO	501000	Permanent	B.Com, Experience 18 Years	30/09/2014	40	Siddhi Vinayak Knots & Prints Pvt.Ltd. , Pandesara -Surat	--	--	--

4	Amarjeet Pal	Site-Incharge	433657	Permanent	Undergraduate, Experience 10 Years	27/04/2012	29	Vally System Pvt.Ltd. L&T Hazira Surat	--	--	--
5	Ajay Chhajjer	Site Manager	431000	Permanent	B.Com , 20 Years Experience	30/07/2015	39	Dhanurdhar Processors Pvt.Ltd. Kadodara Zolwa	--	--	--
6	Amit Singh	Admin	291922	Permanent	B.Com, 8 Years Experience	30/07/2012	31	Siddhi Vinayak Knots & Prints Pvt.Ltd. , Pandesara -Surat	--	--	--
7	Kaushikkumar Dalsukhbhai Patel	Engineer	275625	Permanent	Diploma In Mechanical, Experience 7 Years	09/03/2017	28	Sameep Construction Pvt. Ltd. Hazira L&T	--	--	--
8	Pradeep Patel	Welder	202959	Permanent	Undergraduate, Experience of ITI of 5 Years	08/10/2016	24	Maitree Engineering Pvt. Ltd. L&T Hazira Surat	--	--	--
9	Sunil Kumar Chauhan	Fabricator	194813	Permanent	Undergraduate, Experience 9 Years	24/10/2012	29	Nikhil Associate C/O ABG Shipyard Magdalla Surat	--	--	--
10	Dhananjay Yogendra Prasad	Welder	181127	Permanent	Undergraduate, Experience 5 Years	03/02/2017	29	Arvind Engineering L&T Hazira Surat	--	--	--

* No Directors receive any remuneration or sitting fees.

- (i) The median remuneration of employees of the Company during the Financial Year was Rs. 15,100/- p.m.
- (ii) In the Financial year, there was no change in the median remuneration of employees;
- (iii) There were 55 permanent employees on the rolls of the Company as on March 31, 2018;
- (iv) Average percentage decrease made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 9.60%. There is average increase of 31.01% in the remuneration of Key Managerial personnel in comparison to the last financial year.
- (v) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.
- (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

** Ankita Ashok Jain has resigned w.e.f. 02/06/2017 and Bhavesh Kantibhai Vaghasiya was appointed w.e.f. 02/06/2017, and resign w.e.f. 06/12/2017.

*** Vinita Dinesh Agarwal was appointed w.e.f. 06/12/2017

For L.P. NAVAL AND ENGINEERING LIMITED

Sd/-

Sanjaykumar Govindprasad Sarawagi
Chairman
(DIN : 00005468)

Date: 28th June, 2018
Place: Surat

STATEMENT ON RISK MANAGEMENT

All businesses are fraught with risk and ship fabrication is not different. We at **L. P. NAVAL AND ENGINEERING LIMITED** seek to minimize the adverse impacts of all kinds of risks, thus enabling the company to leverage market opportunities effectively and enhance long term competitive advantage. Our Risk Management Framework involves identification, analyses, evaluation, treatment, mitigation and monitoring all kinds of risks like Strategic, External and operational risks.

Strategic risk is the risk associated with our long term business strategies and the risks associated with the execution of these strategies. The ship fabrication industry is going through a bad period right now though the outlook looks promising in the next 10-15 years horizon owing to the Make in India policy and the change in the FDI rules for this sector. In order to mitigate the strategic risk we have taken conscious decision to develop our capabilities in aluminum boats construction and repairs which is a niche sectors (Not too many players) and we have also realigned ourselves to be engineering Services Company for shipbuilders and other related industries.

External Risk arises out of uncontrollable factors from outside the organization like downturn in the economy, adverse policies or regulatory framework or even natural disasters.

Operational Risk arises out of inefficiencies or negligence in the operations or system of internal controls. These are risk associated with non compliance with statutory requirements or policies, not following the safety regulations, engaging in unlawful or fraudulent behavior or breaches of contractual agreement. As a company we have checks and balances in places ensure such things don't happen. Proper Personal Protective Equipments are provided to all employees working on the shop floor to ensure safety. Internal and statutory audits on regular interval put the relevant checks in place.

For L.P. NAVAL AND ENGINEERING LIMITED

Sd/-

Sanjaykumar Govindprasad Sarawagi

Chairman

(DIN : 00005468)

Date: 28th June, 2018

Place: Surat



Form No. MR-3
SECRETARIAL AUDIT REPORT

Annexure VI

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
L. P. Naval and Engineering Limited
(Formerly Known as Siddhi Vinayak Shipping Corporation Limited)
(CIN: L35111GJ2012PLC068922)
Office Block First Floor Pl. No. 237/2 & 3
Sub Pl. No. A/25 Central Park Soc.,
G.I.D.C, Pandesara, Surat –394221.

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited)**, (hereinafter called the “company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the **M/s. L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited)**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. L. P. Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited)** for the financial year ended on **31st March, 2018** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable during the year:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other Laws Specifically Applicable to Company:
- a. Contract Labour Act.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to the Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE-SME Stock Exchange of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During The year under review, the company has generally complied with the provisions of the act, rules, regulations and guidelines mentioned above except some irregular form filings.

I further report that, based on the information provided by the company, its officers and authorised representative during the conduct of the audit, and also on the review of reports by CS/CEO of the company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

I further report, that the compliance by the company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions of the board were unanimous and no dissenting views have been recorded.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period, there were no specific events/actions in pursuance of the aforesaid laws, rules, regulations, etc. having a major bearing on the company's affairs.

Sd/-

Signature :

Name of PCS: Ranjit B. Kejriwal

FCS No.: 6116

C P No.: 5985

Date: 28th June, 2018

Place: Surat

L. P. NAVAL AND ENGINEERING LIMITED
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

CIN: L35111GJ2012PLC068922

Reg Off.: Office Block First Floor, Pl No. 237/2& 3, Sub Pl No. A/25, Central Park Soc. GIDC, Pandesara, Surat-394 221

Email: cs@lpnaval.com, Ph: 0261-2894416, Web: www.sivishipping.com

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1 Details of contracts or arrangements or transactions not at arm's length basis

S N	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Not Applicable								

2 Details of material contracts or arrangement or transactions at arm's length basis

S N	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Ankita Ashok Jain (CS)	Salary	Yearly	1,02,227	03.02.2014	
2	Bhavesh Kantibhai Vaghasiya (CS)	Salary	Yearly	1,06,861	02.06.2017	
3	Vinita Dinesh Agarwal (CS)	Salary	Yearly	64,871	06.12.2017	
4	Mustafa Moiz Hazi (CFO)	Salary	Yearly	5,01,000	30.09.2014	
5	Amit Khandelwal (Manager)	Salary	Yearly	9,71,000	24.07.2015	

For L.P. NAVAL AND ENGINEERING LIMITED

Sd/-

Sanjaykumar Govindprasad Sarawagi

Chairman

(DIN : 00005468)

Date: 28th June, 2018

Place: Surat

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(See Rule 8 of Companies(Accounts) Rules, 2014)

- | | |
|---|-----|
| A Conservation of Energy | NIL |
| (i) the steps taken or impact on conservation of energy | |
| (ii) the steps taken by the company for utilising alternate sources of energy | |
| (iii) the capital investment on energy conservation equipment | |
| B Technology absorption | NIL |
| (i) the efforts made towards technology absorption | |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | |
| (iii) in case of imported technology (imported during last three years reckoned from the beginning of the financial year) | |
| a The details of technology imported | |
| b the year of import | |
| c whether the technology been fully absorbed | |
| d if not fully absorbed areas where absorption has not taken place & reasons thereof | |
| (iv) the expenditure incurred on research & development. | |
| C Foreign Exchange | |

Details of Earning in Foreign Exchange	<u>Current Year</u>	<u>Previous Year</u>
Export of goods calculated on FOB basis		
Interest and dividend		
Royalty		
Know-how		
Professional & consultation fees		
Other income		
Total Earning in Foreign Exchange	NIL	NIL

Details of Expenditure in Foreign Exchange
Import of goods calculated on CIF basis
(i) raw material
(ii) component and spare parts
(iii) capital goods
Expenditure on account of
(i) Royalty
(ii) Know-HOW
Professional & consultation fees
Interest
Other matters

For L.P. NAVAL AND ENGINEERING LIMITED

Sd/-

Sanjaykumar Govindprasad Sarawagi
Chairman
(DIN : 00005468)

Date: 28th June, 2018
Place: Surat

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER ON
FINANCIAL STATEMENTS OF THE COMPANY**

I, Mustafa Moiz Haji, Chief Financial Officer of L. P. NAVAL AND ENGINEERING LIMITED, certify that:

- (a) I/We have reviewed the financial statements and the Cash Flow Statement of L. P. NAVAL AND ENGINEERING LIMITED for the year ended 31 March 2018 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best our knowledge the belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I/ We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference ;
 - (ii) There has not been any significant change in accounting policies during the year; and
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

**Date: 28th June, 2018
Place: Surat**

By order of board of directors

Sd/-
**Mustafa Moiz Haji
Chief Financial Officer**



INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF
M/s. L. P. Naval and Engineering Limited
(Formerly Known as Siddhi Vinayak Shipping Corporation Ltd)

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. L. P. Naval and Engineering Limited (Formerly Known as Siddhi Vinayak Shipping Corporation Ltd) ("the company") which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in so far it relates to the Balance Sheet, of the state of affairs of the company as at March 31 2018; and
- (b) in so far it relates to the Statement of Profit and Loss, of the profit/loss for the year ended on that date;
- (c) in so far it relates to the Statement of Cash Flow, of the cash flow for the year ended on March 31 2018;

Report on Other Legal and Regulatory Requirements:



As required by the Companies (Auditor's Report), Order, 2016 (order dated 29.03.2016), issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (hereinafter referred to as 'order'), and on the basis of test check as we considered appropriate and according to information and explanation provided to us, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by section 143(3) of the Act, we report that:

- 2.1 We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit
- 2.2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- 2.3 The Balance Sheet and Profit and Loss statement dealt with by this report are in agreement with the books of account.
- 2.4 In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- 2.5 On the basis of written representations received from the directors, as on March 31, 2018, taken on record by the Board of directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director under section 164(2) of the Act
- 2.6 With respect to the adequacy of financial controls over financial reporting of the company and the operative effectiveness of such controls, refer to our separate report in "Annexure B"; and
- 2.7 With respect to the others matters to be included in the auditor's report in accordance with Rule 11 of the companies (audit and auditors) rules 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - (i) There were no pending litigations which would impact the financial position of the company.
 - (ii) The company did not have any material foreseeable losses on long term contracts including derivative contracts
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company

**For R Kejriwal & Co.
Chartered Account
(FRN : 133558W)**

**Date: 28th June, 2018
Place: Surat**

**Sd/-
Vishal Joshi
Partner
M. No. 427019
PAN. AAPFR9048C**

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **L. P. Naval and Engineering LIMITED** (Formerly Known as Siddhi Vinayak Shipping Corporation Limited) ("The Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R Kejriwal & Co.
Chartered Account
(FRN : 133558W)**

**Date: 28th June, 2018
Place: Surat**

**Sd/-
Vishal Joshi
Partner
M. No. 427019
PAN. AAPFR9048C**



Annexure to Auditors' Report

(Referred to in of our report of even date to the members of L. P. NAVAL AND ENGINEERING LIMITED as on the financial statements for the year ended March 31, 2018)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. Fixed Assets

- (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; YES
- (b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account; The management conducted physical verification of certain fixed assets in accordance with its policy of physical verification in a phased manner. In our opinion, such frequency is reasonable having regard to the size of the Company and the nature of its fixed assets. As explained to us, the discrepancies noticed on physical verification as compared to book records maintained, were not material and have been properly dealt with in the books of account.
- (c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof. YES

2. Inventories

- Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account; The management conducted physical verification of inventory in accordance with its policy of physical verification in a phased manner. In our opinion, such frequency is reasonable having regard to the size of the Company and the nature of its inventory. As explained to us, the discrepancies noticed on physical verification as compared to book records maintained, were not material and have been properly dealt with in the books of account.

3. Loan Granted

- Whether the company has granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. If so, YES
- (a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest; As per explanation provided to us, YES
- (b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and **R.K.Singh, Manager of the company was given interest free loan in earlier years but has not refund the amount of Rs. 8,01,506/-**
- (c) If overdue amount is more than rupees five lakhs, whether reasonable steps have been taken by the company for recovery of the principal and interest; YES, Company has taken proper steps for recovery of amount. Interest was not applicable.

4. Loans, Investments and gurantees

- In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof. As explained to us and from the records verified, THE company has generally complied the provision of section 185 and 186 of The Companies Act, 2013.

5. Deposit

- In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not? NA

6. Cost Records

- Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained; NA

7. **Statutory dues**

(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.

(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).

to us and the record examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax and other material Statutory Dues applicable to it. There were no arrears as at, 31st March, 2018 for a period of more than six months from the date they became payable.

NA

Particulars

F.Y.

AMOUNT (In Rs.)

STATUS

8. **Default in Repayment**

Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).

NO

9. **Term Loan/ Money Raised**

Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;

YES

10. **Fraud**

Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; If yes, the nature and the amount involved be indicated.

To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year under report

11. **Managerial Remuneration**

Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.

YES

12. **Nidhi Company**

Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.

NA

13. **Related Parties Transactions**

Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.

As per the information and explanation provided to us and records produced before us, the company has generally complied with the provisions.

14. **Preferential allotment / Private placement**

Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.

NO

15. **Non-cash Transactions**

Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.

NA

16. **Registration with RBI**

Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration is obtained.

NA

For R. Kejriwal & Co.
Chartered Accountants

Sd/-
Vishal Joshi
Partner
M.No. 427019
FRN.133558W
Date : 30.05.2018
Place : Surat

L. P. NAVAL AND ENGINEERING LIMITED
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)
CIN- L35111GJ2012PLC068922

Office Block, First Floor, PL No. 237/2 & 3, Sub PL No. A/25, Central Park Soc., G.I.D.C.Pandesara, Surat-394221
Website: www.sivishipping.com ; Email: admin@sivishipping.com

BALANCE SHEET AS AT 31.03.2018 (Amount in Rs.) (Amount in Rs.)
Note No. As at 31.03.2018 As at 31.03.2017

EQUITY & LIABILITIES

I Shareholders' Funds

Share Capital	2	57,520,000	57,520,000
Reserve and Surplus	3	40,139,681	51,456,283

**II Share Application Money
Pending Allotment**

- -

III Non-Current Liabilities

Long term Borrowings	4	-	583,358
Deferred Tax Liabilities(Net)		1,032,275	962,692
Other Long term Liabilities		-	-
Long term provisions	5	807,894	-

IV Current Liabilities

Short term Borrowings	6	74,795,865	41,684,216
Trade payables :-	7		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		3,998,086	1,969,927
Other Current Liabilities	8	870,403	1,681,949
Short Term Provisions	9	147,405	274,614

TOTAL 179,311,610 156,133,039

ASSETS

I Non-Current Assets

Fixed Assets			
- Tangible Assets	10	138,244,202	121,472,954
- Intangible assets		-	-
- Capital WIP	10	15,891,530	15,891,530
- Intangible Assets under development		-	-
Non current Investments		-	-
Deferred tax assets (net)		-	-
Long term Loans and Advances	11	115,585	115,585
Other Non-Current Assets	12	14,684	29,368

II Current Assets

Current Investments		-	-
Inventories	13	6,376,902	3,777,852
Trade receivables	14	9,527,193	11,633,869
Cash and bank balances	15	3,528,855	704,796
Short term Loans and advances	16	5,612,660	2,507,085
Other current assets			

TOTAL 179,311,610 156,133,039

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS PER NOTES 1 & 23

As per our report of even date
For R. Kejriwal & Co.
Chartered Accountants

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-
Vishal Joshi
Partner
M.No. 427019
FRN.133558W
Date : 30.05.2018
Place : Surat

Sd/-
Sanjay Sarawagi
Director
DIN: 00005468

Sd/-
Company Secretary

Sd/-
Mahesh Saboo
Director
DIN:01616969

Sd/-
C.F.O.

L. P. NAVAL AND ENGINEERING LIMITED
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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2018

		(Amount in Rs.)	(Amount in Rs.)
	Note No.	As at 31.03.2018	As at 31.03.2017
Income			
I	Revenue From Operations (Net)	10,528,710	22,621,376
II	Other income	27,502	27,371
III	TOTAL REVENUE	10,556,212	22,648,747
IV Expenses			
	Purchases	4,010,492	2,025,492
	Changes in inventory of finished goods, work-in-progress	(2,599,050)	(1,045,622)
	Employee benefit expense	14,544,523	16,269,066
	Finance costs	1,871,566	1,584,563
	Depreciation & Amortization Exp.	1,521,936	1,285,298
	Other expenses	1,645,279	1,796,754
V	TOTAL EXPENSES	20,994,747	21,915,551
VI	Profit before Exceptional & Extraordinary items & tax Add/(less) exceptional items (Gratuity)	(10,438,534) (807,894)	733,196 -
VII	Profit before extraordinary items and tax Add/(less) Extraordinary items	(11,246,428) -	733,196 -
VIII	Profit Before Tax Tax expense Current Tax Wealth Tax Deferred Tax Less: MAT credit entitlement Income tax of earlier years	(11,246,428) - - 69,583 - 590	733,196 184,614 - 36,875 - 32,107
IX	Profit /(Loss) from Continuing Operations	(11,316,602)	479,600
X	profit /(Loss) from Discontinuing Operations Less: Tax Expenses of Discontinuing Operations	- -	- -
XI	Profit /(Loss) from Discontinuing Operations after Tax	-	-
XII	Profit / (Loss) for the year	(11,316,602)	479,600
XIII	Earning per Equity Share Basic Diluted	- -1.97	1.970.08 0.08

See accompanying notes to the financial statement

As per our report of even date
For R. Kejriwal & Co.
Chartered Accountants

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-
Vishal Joshi
Partner
M.No. 427019
FRN.133558W
Date : 30.05.2018
Place : Surat

Sd/-
Sanjay Sarawagi
Director
DIN: 00005468

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Company Secretary

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

(Amount in Rs.)

	01.04.2017 - 31.03.2018	01.04.2016 - 31.03.2017
A		
Cash flow from operating activities:		
Net Profit before tax as per Profit And Loss A/c	(11,246,428)	733,196
Adjusted for:		
Depreciation	1,507,252	1,270,614
Interest & Finance Cost	1,871,566	1,584,563
Operating Profit Before Working Capital Changes	(7,867,611)	3,588,373
Adjusted for:		
Inventories	(2,599,050)	(1,045,622)
Trade Receivables	2,106,676	(244,465)
Loans and advances and other assets	(3,105,575)	581,879
Liabilities & Provisions	1,897,298	(2,056,425)
Cash Generated From Operations	(9,568,261)	823,740
Direct Tax Paid	590	216,721
Net Cash Flow from/(used in) Operating Activities:	(9,568,851)	607,019
B		
Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(18,278,500)	(1,147,266)
Sale of Fixed Assets	-	-
Proceeds from other investment	14,685	10,284
Net Cash flow from/(Used in) Investing Activities:	(18,263,816)	(1,136,982)
C		
Cash Flow from Financing Activities:		
Proceeds From Share Capital & Share Premium	-	-
Proceeds From Share Application Money	-	-
Proceeds from Long Term Borrowing (Net)	(583,358)	(2,216,662)
Proceeds from Short-term borrowings	33,111,649	4,704,164
Interest & Financial Charges	(1,871,566)	(1,584,563)
Net Cash Flow from/(used in) Financing Activities	30,656,725	902,939
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	2,824,059	372,976
Cash & Cash Equivalents As At Beginning of the Year	704,796	331,820
Cash & Cash Equivalents As At End of the Year	3,528,855	704,796

As per our report of even date
 For R. Kejriwal & Co.
 Chartered Accountants

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-
 Vishal Joshi
 Partner
 M.No. 427019
 FRN.133558W
 Date : 30.05.2018
 Place : Surat

Sd/-
 Sanjay Sarawagi
 Director
 DIN: 00005468

Sd/-
 Company Secretary

Sd/-
 Mahesh Saboo
 Director
 DIN:01616969

Sd/-
 C.F.O.

L. P. NAVAL AND ENGINEERING LIMITED

(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

CIN- L35111GJ2012PLC068922

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Website: www.sivishipping.com ; Email: admin@sivishipping.com

NOTES FORMING PARTS OF ACCOUNT

Note 1 SIGNIFICANT ACCOUNTING POLICIES :

a. Basis of Accounting :

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act 2013, as adopted consistently by the company. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Fixed Assets :

Fixed assets are recorded at cost. The Company has provided depreciation on Straight Line method as per the Companies Act, 2013

c. Capital Work In Progress:

All Expenditure, incurred relating to Development of Ship Yard are accumulated and shown as Capital Work in Progress.

d. Investment :

The company has not made any investment during the year.

e. Depreciation and Amortization :

The company has provided depreciation on Straight Line Method as per companies Act,2013 and calculation of remaining useful life is based on no of days for which asstes were put to use.

f. Impairment of Assets :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The company assesses at each Balance Sheet date whether there is any indication that any assets may be impaired and if such indication exists, the carrying value of such assets is reduced to its recoverable amount and a provision is made for such impairment loss in the statement of Profit & Loss A/c. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g. Employee's Benefit :

Provident Fund, ESIC & LWF : Provident fund, ESIC and LWF contributions are made as per defined scheme and the contribution is charged to statement of Profit & Loss A/c of the year when it becomes due. The company has no other obligation other than to contribute and deposit to respective authorities.

Short term employee benefits are recognized as an expense in the statement of Profit & Loss A/c for the year in which the related service is rendered.

Long term employee benefit are recognized as an expense in the statement of Profit & Loss A/c for the year in which the employee has rendered service.

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on government securities as at the balance sheet date.

h. Deferred Revenue Expenditure :

Preliminary expenses incurred by the company in past year was related to incorporation of company. Now, 1/5th of Preliminary Expenses is written off during the year.

i. Inventories :

Inventories are valued at the lower of cost on FIFO basis and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale Work-in-progress and finished goods include appropriate proportion of overhead. Other stock is valued at estimated realizable Value.

j. Foreign Currency Transactions :

The company has not incurred any foreign currency transaction during the year .

k. Lease Transactions :

The Company has been given the possession of G.I.D.C. land on 14-08-2013, to hold the same as Licencee to make necessary construction etc. Lease Deed for 99 years will be executed by G.I.D.C. after completion of construction & subject to compliance of prescribed conditions.

l. Revenue & Recognition :

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from Job Work transaction is recognized as and when job work or part of it is completed.

m. Income Tax :

Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax. Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company review the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

n. Contingent Liability :

No provision is made for a liability which is contingent in nature but if material, the same is disclosed by way of notes to the accounts.

o. Earning per Share :

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

p. Cash & cash Equivalents :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are term deposit balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

q. Accounting for Indirect Taxes

The Company is recording sales and purchases on exclusive method and GST/VAT are not passed through the profit and Loss accounts of the company. The Effect of Indirect Taxes on Sales will be as under:

Amount In Rs	
Gross Sales	12,335,315
Less: VAT/GST	1,806,605
Net Sales	10,528,710

L. P. NAVAL AND ENGINEERING LIMITED
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CIN- L35111GJ2012PLC068922

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Website: www.sivishipping.com ; Email: admin@sivishipping.com

NOTES FORMING PART OF FINANCIAL STATEMENT

PARTICULARS	(Amount in Rs.)		(Amount in Rs.)	
	As at 31.03.2018		As at 31.03.2017	
NOTE- 2				
<u>SHARE CAPITAL</u>				
AUTHORIZED CAPITAL				
60,00,000 Equity shares of Rs.10 each	60,000,000		60,000,000	
	60,000,000		60,000,000	
ISSUED CAPITAL				
57,52,000 Equity Shares of Rs.10/- each	57,520,000		57,520,000	
	57,520,000		57,520,000	
SUBSCRIBED AND FULLY PAID UP CAPITAL				
57,52,000 Equity Shares of Rs.10/each fully paid up	57,520,000		57,520,000	
	57,520,000		57,520,000	
SUBSCRIBED BUT NOT FULLY PAID UP CAPITAL				
	-		-	
	-		-	
RECONCILIATION OF SHARES				
<u>Shares outstanding</u>	As at 31.03.2018		As at 31.03.2017	
	<u>Equity Shares</u>		<u>Equity Shares</u>	
	Number	In Rs	Number	In Rs
Shares outstanding at beginning of the year	5,752,000	57,520,000	5,752,000	57,520,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
shares outstanding at end of the year	5,752,000	57,520,000	5,752,000	57,520,000
Shareholder(s) holding more than 5% shares				
	As at 31.03.2018		As at 31.03.2017	
<u>Equity shares of Rs.10 each</u>	No. of shares held	% of holding	No. of shares held	% of holding
Rakesh Sarawagi	303700	5.28%	303,700	5.28%
Sanjay Sarawagi	303000	5.27%	303,000	5.27%
Manoj Sarawagi	3261000	56.69%	3,261,000	56.69%
Govind Prasad Sarawagi	300000	5.22%	300,000	5.22%
Shares allotted for consideration other than cash(for period of five years preceding the B/S date)				
NIL				
Unpaid calls				
By Directors	As at 31.03.2018		As at 31.03.2017	
By Officers	Nil		Nil	
	Nil		Nil	

Terms/rights attached to shares:

The Equity shares have a face value of Rs 10 per share. Each holder of share is entitled to one vote per share. In the event of liquidation of company all shareholders will be entitled to receive remaining assets of the company after distribution of all preferential amounts in proportion to the shares held by them.

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NOTE 3

RESERVE & SURPLUS

	As at 31.03.2018	As at 31.03.2017
Securities Premium Account	-	
Opening balance	41,130,000	41,130,000
Add: Credited during the year		
Less: Utilized during the year		
Closing Balance (A)	41,130,000	41,130,000
Surplus		
Opening balance	10,326,283	9,846,683
(+)Net Profit/Net Loss	(11,316,602)	479,600
(+)Transfer from reserves	-	-
(-)Issue of bonus shares	-	-
(-)Proposed dividends	-	-
(-)Transfer to reserves	-	-
Closing Balance (B)	(990,319)	10,326,283
Total Reserves & Surplus (A+B)	40,139,681	51,456,283

NOTE 4

LONG TERM BORROWINGS

Term Loan:

From Banks:

Secured:

Term Loan (UBI)

- 583,358

(The term loan is secured by equitable mortgage of Plant & machinery. There is personal guarantee of all the directors. The term loan is to be repaid in 60 monthly instalments of Rs 116667/- excluding moratorium of six months from 1st disbursement. Interest to be recovered as and when debited to the account.)

- 583,358

Maturity Table of Term loan

Maturity pattern of term loans Amount in Rs	0-1 years	1-2 years	2-3 years	Beyond 3 years
	583,370	-	-	-

NOTE 5

LONG TERM PROVISIONS

Provision for Gratuity	807,894	-
	807,894	-

NOTE 6

SHORT TERM BORROWINGS

Loans repayable on demand:

From banks:

Secured:

Union Bank of India (C.C.)

(152,510) 1,287,613

(Secured by hypothecation of Stock and book Debts. There is personal guarantee of all the directors. & Sactioned Limit is Rs 30.00 Lakhs)

Loans & Advances from related party & others:

Unsecured Loan	74,948,375	40,396,603
	74,795,865	41,684,216

Additional disclosure

Promoter Director	31,829,000	31,829,000
Other officers of the company	-	-
Firm in which director is a partner	-	-
Pvt company in which director is a member	-	-
	31,829,000	31,829,000

NOTE 7**TRADE PAYABLES**

Creditors for Goods	2,650,055	165,866
Creditors for Expenses	910,818	773,933
Creditors for Salary	357,984	985,954
Creditors for Assets	79,230	44,174
	3,998,086	1,969,927

NOTE 8**OTHER CURRENT LIABILITIES****Current Maturities of Long Term Debts:**

UBI Term Loan	583,370	1,400,004
BOB Car Loan -SCORPIO	-	90,873

For Employee Benefits:

E.S.I.C. Payable	30,980	49,419
Professional Tax Payable (Employee)	6,870	11,670
Provident Fund Payable	27,542	50,249

For Taxes & Duties

TDS Payable	220,015	79,734
GST(RCM) Payable	1,626	-
	870,403	1,681,949

NOTE 9**SHORT TERM PROVISIONS**

Audit Fees Payable	135,000	90,000
Provision for Tax	-	184,614
Provision for Gratuity	12,405	-
	147,405	274,614

NOTE 11**LONG TERM LOANS AND ADVANCES****Security Deposit:**

Sales Tax Deposit	45,000	45,000
Security & Labour Lic. Deposit	62,325	62,325
Gas Bottle Deposit	8,260	8,260
	115,585	115,585

NOTE 12**OTHER NON CURRENT ASSETS**

Preliminary Expenses	29,368	44,052
Less: Written off	14,684	14,684
	14,684	29,368

NOTE 13**INVENTORIES**

Stores & Spares	3,196,902	577,852
Work in Progress	3,180,000	3,200,000
	6,376,902	3,777,852

NOTE 14**TRADE RECEIVABLES****Debt outstanding for more than Six Months**

Secured, Considered good	-	-
Unsecured, Considered good	4,396,159	7,538,557
Unsecured, Considered Doubtful	1,773,408	-

Debt outstanding for less than Six Months

Secured, Considered good	-	-
Unsecured, Considered good	3,357,626	4,095,312
Doubtful	-	-
	9,527,193	11,633,869

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Website: www.sivishipping.com ; Email: admin@sivishipping.com**SCHEDULES FORMING PART OF FINANCIAL STATEMENT****NOTE 10****(Amount in Rs.)****PARTICULARS****As at 31.03.2018****FIXED ASSETS AND DEPRECIATION AS ON 31.03.2018**

Description	Gross Block			Depreciation			Net Block			
	Opening Balance	Addition	Deduction	As At 31.03.18	Opening Balance	For the Period	Adjustment	As At 31.03.18	As At 31.03.18	As At 31.03.17
Air conditioner	49,000			49,000	13,523	3,202		16,725	32,275	35,477
Attendance Device	38,500			38,500	9,170	2,481		11,651	26,849	29,330
Bicycle	4,700			4,700	1,757	461		2,218	2,482	2,943
Car EECO	429,208			429,208	221,547	53,343		274,890	154,318	207,661
Car SCORPIO	1,364,162			1,364,162	734,848	170,806		905,654	458,508	629,314
Computer	365,824			365,824	280,260	29,730		309,990	55,834	85,564
Container	580,400			580,400	164,806	37,529		202,335	378,065	415,594
Drill Machine	32,375			32,375	8,516	2,083		10,599	21,776	23,859
Furniture & Fixtures	272,909			272,909	113,850	27,787		141,637	131,272	159,059
Grinding Machine	176,552			176,552	39,674	11,309		50,983	125,569	136,878
Hitachi Cutting Machine	7,650			7,650	1,695	488		2,183	5,467	5,955
HD Manual Hand Torch	31,605			31,605	4,276	2,001		6,277	25,328	27,329
Kawasaki Chain Pully Block Machine	6,773			6,773	1,379	430		1,809	4,964	5,394
Mig Machine	10,074,387			10,074,387	2,585,008	647,582		3,232,590	6,841,797	7,489,379
Mobile	65,350			65,350	15,590	4,180		19,770	45,580	49,760
Numatic/Air Grinder	23,194			23,194	6,115	1,493		7,608	15,586	17,079
Overlay ID Station	240,030			240,030	2,206	15,194		17,400	222,630	237,824
Plasma Cutter	257,250			257,250	73,964	16,654		90,618	166,632	183,286
Power Max	223,230			223,230	13,124	14,130		27,254	195,976	210,106
Staff Bus	1,774,804			1,774,804	957,733	213,293		1,171,026	603,778	817,071
Taper Drill	13,145			13,145	3,051	840		3,891	9,254	10,094
Tig Machine	620,880			620,880	170,642	40,055		210,697	410,183	450,238
Cooling Unit FK 25	-	100,000		100,000	-	3,208		3,208	96,792	-
Magicwawe 3000										
JOB G/f	-	478,000		478,000	-	15,336		15,336	462,664	-
Dream Yuga(Bike)	-	60,500		60,500	-	2,107		2,107	58,393	-
Mig 4000 Machine	-	13,860,000		13,860,000	-	143,675		143,675	13,716,325	-
TPS 4001 Machinee		3,780,000		3,780,000	-	47,855		47,855	3,732,145	-
Segment II (Ship Yard)										
Lease Hold										
Land (Dahej)	110,243,760	-	-	110,243,760	-	-		-	110,243,760	110,243,760
Capital Work in Progress										
Progress	15,891,530			15,891,530	-	-		-	15,891,530	15,891,530
TOTAL	142,787,218	18,278,500	-	161,065,718	5,422,734	1,507,252	-	6,929,986	154,135,732	137,364,484
Previous Year	141,639,952	1,147,266	-	142,787,218	4,152,120	1,270,614	-	5,422,734	137,364,484	137,487,832

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FINANCIAL YEAR 2017-18

ASSESSMENT YEAR 2018-19

Annexure A to Form 3CD

STATEMENT OF DEPRECIATION AS PER RATES PRESCRIBED UNDER INCOME TAX RULES 1962

(Amount in Rs)

Description	Rate of Dep	Opening WDV	Addition more than 180 days	Addition Less Than 180 days	Addition / Deduction	TOTAL	Depreciation	WDV As at 31.03.2018
Air conditioner	15%	22,720	-	-	-	22,720	3,408	19,312
Attendance Device	15%	19,943	-	-	-	19,943	2,991	16,952
Bicycle	15%	2,086	-	-	-	2,086	313	1,773
Car Scropio	15%	605,286	-	-	-	605,286	90,793	514,493
Car EECO	15%	190,442	-	-	-	190,442	28,566	161,876
Computer	40%	44,336	-	-	-	44,336	17,734	26,601
Container	15%	266,743	-	-	-	266,743	40,011	226,731
Drill Machine	15%	14,365	-	-	-	14,365	2,155	12,210
Furniture & Fixtures	10%	161,530	-	-	-	161,530	16,153	145,377
Grinding Machine	15%	94,813	-	-	-	94,813	14,222	80,591
Hitachi Cutting Machine	15%	3,994	-	-	-	3,994	599	3,395
HD Manual Hand Torch	15%	21,122	-	-	-	21,122	3,168	17,954
Kawasaki Chain								
Pully Block Machine	15%	3,847	-	-	-	3,847	577	3,270
Mig Machine	15%	4,771,789	-	-	-	4,771,789	715,768	4,056,021
Mobile	15%	32,962	-	-	-	32,962	4,944	28,018
Numatic/Air Grinder	15%	10,977	-	-	-	10,977	1,647	9,330
Overlay ID Station	15%	222,028	-	-	-	222,028	33,304	188,724
Plasma Cutter	15%	114,144	-	-	-	114,144	17,122	97,022
Powermax-45	15%	189,746	-	-	-	189,746	28,462	161,284
Staff Bus	15%	787,490	-	-	-	787,490	118,124	669,367
Taper Drill	15%	6,862	-	-	-	6,862	1,029	5,832
Tig Machine	15%	282,996	-	-	-	282,996	42,449	240,546
Cooling Unit FK 25	15%	100,000	-	-	-	100,000	15,000	85,000
Magicwawe 3000								
JOB G/f	15%	478,000	-	-	-	478,000	71,700	406,300
Dream Yuga(Bike)	15%	60,500	-	-	-	60,500	4,538	55,963
Mig 4000 Machine	15%	-	13,860,000	-	-	13,860,000	1,039,500	12,820,500
TPS 4001 Machinee	15%	-	3,780,000	-	-	3,780,000	283,500	3,496,500
		7,870,219	578,000	17,700,500	-	26,148,719	2,597,778	23,550,942

NOTE 15		
CASH AND CASH EQUIVALENT		
Cash in Hand	800,183	190,823
Balances With Scheduled Bank	2,728,672	513,973
	3,528,855	704,796

NOTE 16
SHORT TERM LOANS AND ADVANCES

Others:

Others, considered good:

Fixed Deposit (Lien marked for Bank Guarantee)	408,637	383,886
Flat Deposit	40,000	40,000
Water Deposit	1,000	1,000
Container Deposit	25,000	-
Prepaid Expenses(Insurance)	24,416	49,579
Service Tax Input	-	255,182
CGST Input	1,527,663	-
SGST Input	1,527,663	-
Advance Tax	-	450,000
TDS Receivables	465,457	525,932
Income tax refund(AY 17-18)	791,318	-

Others, considered doubtful:

Rakesh Kumar Singh (Rakesh Kumar Singh was manager of the Company. Company has initiated legal proceedings for recovery of the amount.)	801,506	801,506
	5,612,660	2,507,085

NOTE 17
OTHER INCOME

Interest Income:

Others Income	-	50
Interest On Fixed Deposit	27,502	27,321
	27,502	27,371

NOTE 18
PURCHASES

Consumable Store	3,988,242	2,009,324
Freight	22,250	-
Safety Material Purchase Exp.	-	16,168
	4,010,492	2,025,492

NOTE 19
(INCREASE)/ DECREASE IN INVENTORY

Closing Stock of Goods	3,196,902	577,852
Less: Opening Stock of Goods	577,852	2,432,230
	(2,619,050)	1,854,378

Work In Progress	3,180,000	3,200,000
Less: Opening WIP	3,200,000	300,000
	20,000	(2,900,000)
	(2,599,050)	(1,045,622)

NOTE 20
EMPLOYEE BENEFIT EXPENSES

Salary Expenses	12,667,589	12,458,640
Staff Welfare Expenses	188,045	1,205,897
Bonus Expenses	635,842	1,173,310
ESIC Expense	364,053	169,276
Labour Welfare Fund	1,349	1,738
Provident Fund	227,491	258,626
Worker Insurance Expenses	59,328	55,572
Transport for Staff	257,901	631,757
Flat Rent	130,520	314,250
Gratuity	12,405	-
	14,544,523	16,269,066

NOTE 21
FINANCE COST

Bank Charges	22,518	26,696
Bank Interest	144,590	238,342
Bank Interest (Term Loan)	169,195	381,011
Loan Processing Charges	107,722	57,250
Interest on Unsecured Loans	1,427,541	881,264
	1,871,566	1,584,563

NOTE 22

OTHER EXPENSES

Payment to Auditor:

As Auditors 50,000 50,000

Insurance Expense 144,990 91,078

Repairs to Building & Machinery (311) 50

Miscellaneous Expenditure:

Advertisement Expense 39,450 49,725

Computer Expenses 1,791 1,440

Donation Exp - 1,000

Discount Account 43,239 -

Hire Charge of Machinery 21,000 -

Interest on Late payment of Taxes 32 15,006

Legal & Professional Fees 645,894 736,568

Medicine Expense 17,674 45,195

Office & General Expense 67,695 172,997

Postage Expense 2,575 3,227

Penalty on PF, TDS, ST - 826

Revenue & Maintenance Exp - 1,642

Vehicle Exp. 195,861 220,150

Vehicle Maintenance 189,598 119,926

Stationery Expense 47,531 49,377

Service Tax Expenses 616 57,506

Service Tax Reversal Expenses - 4,029

Swachh Bharat Cess Reversal Expenses - 3,490

Tax & Duty 2,400 2,400

Travelling Expenses 67,565 44,612

Transportation Expenses 56,500 68,475

Telephone Expense 51,180 58,035

1,645,279 1,796,754

NOTE 23

a. Balances of Loans and Advances, Debtors, Creditors & Bank are subject to confirmation and reconciliation.

b. Auditors Remuneration As Auditors	C. Year	P. Year
	50000	50000
TOTAL:	50000	50000

c. Related Party Disclosure (AS 18)

Based on the details as provided by the management:

Name of the related party and description of relationship:

Key Managerial Personnel (KMP) & Director

Manoj Kumar Sarawagi (Executive Director)	
Sanjay Kumar Sarawagi (Executive Director) Officer)	Mustufa Haji (Chief Financial
Rakesh Kumar Sarawagi (Executive Director)	Amit Khandelwal (Manager)
Ruchita Amit Mittal (Independent Woman Director)	Vinita Dinesh Agarwal
Pratibha Pankaj Gulgulia (Independent Woman Director)	
Mahesh Saboo (Independent Director)	

Relatives of KMP & Director

Govind Prasad Sarawagi	Arjun Amit Khandelwal (Minor)
Kanta Devi Sarawagi	Jyoti Amit Khandelwal
Khadelwal	Prem Kumar
Sarla Sarawagi	Mira Khandelwal
Sandhya Sarawagi	Charul Gupta
Sujata Sarawagi	Shilpa Ranade
Meena Tibrewal	Nikita Anuj
Mehta	
Mansi Sarawagi (Minor)	Batul Mustufa Haji
Tanya Sarawagi	Alifiya Mustufa
Haji	
Parth Sarawagi (Minor)	Murtaza Mustufa Haji
Hardik Sarawagi	Rehana
Moizbhai Haji	
Chaheti Sarawagi (Minor)	Moiz Fakharuddin Haji
Teshima Sarawagi (Minor)	
Hridan Sarawagi (Minor)	

Enterprises owned or significantly influenced by KMP or their relatives:

Sanjay Sarawagi HUF
 Manoj Sarawagi HUF
 Rakesh Sarawagi HUF
 Govind Prasad Sarawagi HUF
 Rose Commotrade LLP
 Hi Choice Trading LLP
 Surat Realators Pvt Ltd
 Divyashakti Trading LLP
 Hi Tech Merchandise LLP
 Lansdown Dealers LLP
 Star mark trading LLP
 Prabha Distibutors LLP
 Siddhi Vinayak Silk Mills Private Limited
 Siddhi Vinayak Knight Riders Private Limited
 Shri Siddhi Vinayak Fashions LLP
 Anmol Tradelink Private Limited
 Lifeline Agencies Private Limited
 Siddhi Vinayak Weaving Private Limited
 S.V Plantation Private Limited
 Siddhi Vinayak Polyfab Private Limited
 Siddhi Vinayak Knots & Prints Private Limited
 Tapti Valley Education Foundation
 J-10 Green infrastructure
 Urban india
 Krishnakali Couture Private Limited
 Siddhi Vinayak Trendz Private Limited
 Surat Mega Textile Processing Park Association
 Vertex Fabtex (India) Pvt Ltd

Details of transactions carried out with related parties in the year in ordinary course of business:

S. No.	Name of party	Relationship	Nature of transaction in current year	Amount	Amount outstanding at year end
1	Manoj Sarawagi	Director	Loan taken	-	6,224,000
			Loan repaid	-	-
2	Sanjay Sarawagi	Director	Loan taken	-	25,605,000
			Loan repaid	-	-
4	Ankita Jain	Company Secretary	Salary	102,227	-
5	Bhavesh Kantibhai Vaghasiya	Company Secretary	Salary	106,861	-
6	Vinita Dinesh Agarwal	Company Secretary	Salary	64,871	19,450
7	Mustufa Haji	Chief Financial Officer	Salary	501,000	34,800
8	Amit Khandelwal	Manager	Salary	971,000	47,800

d. Final Accounts has been prepared on Going Concern assumption.

e.		As at 31.03.2018	As at 31.03.2017
	Basic & Diluted EPS		
	Basic:		
	Profit after tax as per accounts	(11,316,602)	479,600
	Weighted average number of shares outstanding	5,752,000	5,752,000
	Basic EPS	-1.97	0.08

Diluted:

	Profit after tax as per accounts	(11,316,602)	479,600
	Weighted average number of shares outstanding	5,752,000	5,752,000
	Add: Weighted average no. of potential equity shares	-	-
	Weighted average no. of shares o/s for diluted EPS	5,752,000	5,752,000
	Diluted EPS	-1.97	0.08

f.		Depreciation	Gratuity	Total
	Depreciation as per Income Tax Rules	2,597,778	-	
	Depreciation as per Companies Act	1,507,252	820,299	
	Timing Difference	1,090,526	-820,299	
	Tax on diff @ 30.90%	280,810	-211,227	69,583

g. Disclosure under Sec 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):

The principal amount and the interest thereon due to any supplier as at the year end	The amount of payment made to the supplier beyond the appointed day and the interest thereon, during the year	The amount of interest due and payable for the period of delay in making payment	The amount of interest accrued and remaining unpaid at the end of the year	The amount of further interest remaining due and payable in the succeeding year
NIL	NIL	NIL	NIL	NIL

Dues to the Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information by the management. This has been relied upon by the auditors.

h. As per AS 17- Segment Reporting, Segment information has to be provided when the company has more than one reportable business segment. The company has two segments:

- i) Fabrication
- ii) Shipyard

As during the year no activity or business has been carried out in Ship yard, no separate segment reporting has been done except identification of segment wise assets.

i. Figures of previous year have been regrouped and rearranged wherever necessary.

j. Details of value of Imports, Earnings in foreign Currency and expenditure in foreign currency: NIL
For R. Kejriwal & Co. For L. P. NAVAL AND ENGINEERING LIMITED
Chartered Accountants

Sd/-
Vishal Joshi
Partner
M.No. 427019
FRN.133558W
Date : 30.05.2018
Place : Surat

Sd/-
Sanjay Sarawagi
Director
DIN: 00005468

Sd/-
Company Secretary

Sd/-
Mahesh Saboo
Director
DIN:01616969

Sd/-
C.F.O.



L. P. Naval and Engineering Limited
(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

Regd Office: Office Block, First Floor, Pl. No. 237/2 & 3, Sub. Pl. No. A/25, Central Park Soc. GIDC, Pandesara, Surat-39422, **E-mail:** cs@lpnaval.com, **WebSite:** www.sivishipping.com, **Tel. No.** 0261-2894415/16, **Fax No.** 0261- 2894419, **CIN:** L35111GJ2012PLC068922

Attendance Slip

Record of Attendance at the ANNUAL GENERAL MEETING held on Monday, 30th July, 2018 at 11:00 am at Office Block, First Floor, Pl No.237/2 & 3 Sub PL No. A/25 Central Park Society, GIDC, Pandesara, Surat-394221

Please complete this attendance slip and Handover at the Entrance of the meeting Venue.

TO BE USED ONLY WHEN THE FIRST NAMED SHAREHOLDER ATTENDS

PLEASE GIVE NAME OF THE FIRST NAMED SHARE HOLDER :

NAME OF THE SHAREHOLDER OR PROXY OR REPRESENTATIVE ATTENDING THE MEETING :

Mr./Mrs./Ms. (In Capitals)

Members' Folio No. Signature.....
(in case the shares are held in Demat Mode)

DP ID..... Client

ID.....

Mr./Mrs./Ms.....Members' Folio
No..... No. of Shares Held.....

Dated: , 2018



Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L35111GJ2012PLC068922

Name of the company: **L. P. NAVAL AND ENGINEERING LIMITED**

Registered office: **Office Block, First Floor, Pl. No. 237/2 & 3, .Sub Pl. No. A/25, Central Park Soc, GIDC, Pandesara, Surat -394221**

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:
or failing him

Affix a
Re. 1
Revenue
Stamp

2. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the 30th day of July, 2018 at 11.00 a.m. at Office Block First Floor Pl. No.237/2 & 3 Sub Pl.No.A/25 Central Park Soc. G.I.D.C Pandesara Surat 394221 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3.....
- 4.....

Signed this day of 2018

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Form No. MGT- 12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: L. P. NAVAL AND ENGINEERING LIMITED

Registered Office: Office Block First Floor Pl. No.237/2 & 3 Sub Pl.No.A/25 Central Park Soc. G.I.D.C Pandesara Surat 394221

CIN: L35111GJ2012PLC068922

BALLOT PAPER

S No	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I/We hereby exercise my/our vote in respect of the following resolution(s) as set out in the Notice of Annual General Meeting of Company scheduled to be held on Monday, 30th July, 2018 at 11:00 A.M. at the Registered Office of the Company at Office Block, First Floor, Pl. No. 237/2 & 3, Sub Pl. No. A/25, Central Park Soc., GIDC, Pandesara, Surat, Gujarat - 394221, which is proposed to be placed for consideration of members at the aforesaid AGM of the Company, by conveying my/our assent and/or dissent to the said Resolution(s) in the relevant box as stated herein below:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the Resolution
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Ordinary Businesses

1.	Adoption of Accounts			
2.	Appointment of Director Mr. sanjaykumar Govind Prasad Sarawagi liable to retire by rotation			
3.	Reappointment of Auditor			

Special Business

4.	Re-appointment of Mr. Maheshkumar Hariram Saboo as an Independent Director of the Company			
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Place:

Date:

(Signature of the shareholder)

INSTRUCTIONS

1. This Ballot Paper is provided to enable the shareholder(s) or their proxy(ies) for voting by way of Ballot Paper(s), who does not have access to e-voting facility and /or who have not voted through e-voting, so that they can also participate in voting through this physical Ballot Paper.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot paper if a Member casts votes by both modes, then voting done through remote e-voting shall prevail and voting by Ballot paper shall be treated as invalid.

ELECTRONIC VOTING PARTICULAR

EVSN (E VOTING SEQUENCE NUMBER)	USER ID	PASSWORD/PIN
180628014		

e-Voting shall remain open till Sunday, 29th July, 2017 till the close of working hours (i.e.17:00hours).
Note: Please read the instructions printed overleaf carefully before exercising your vote.



Name of Company
L. P. NAVAL AND ENGINEERING LIMITED

Registered Office
**Office Block First Floor Pl. No. 237/2&3 Sub Pl.No.A/25
Central Park Soc. G.I.D.C. Pandesara, Surat- 394 221**