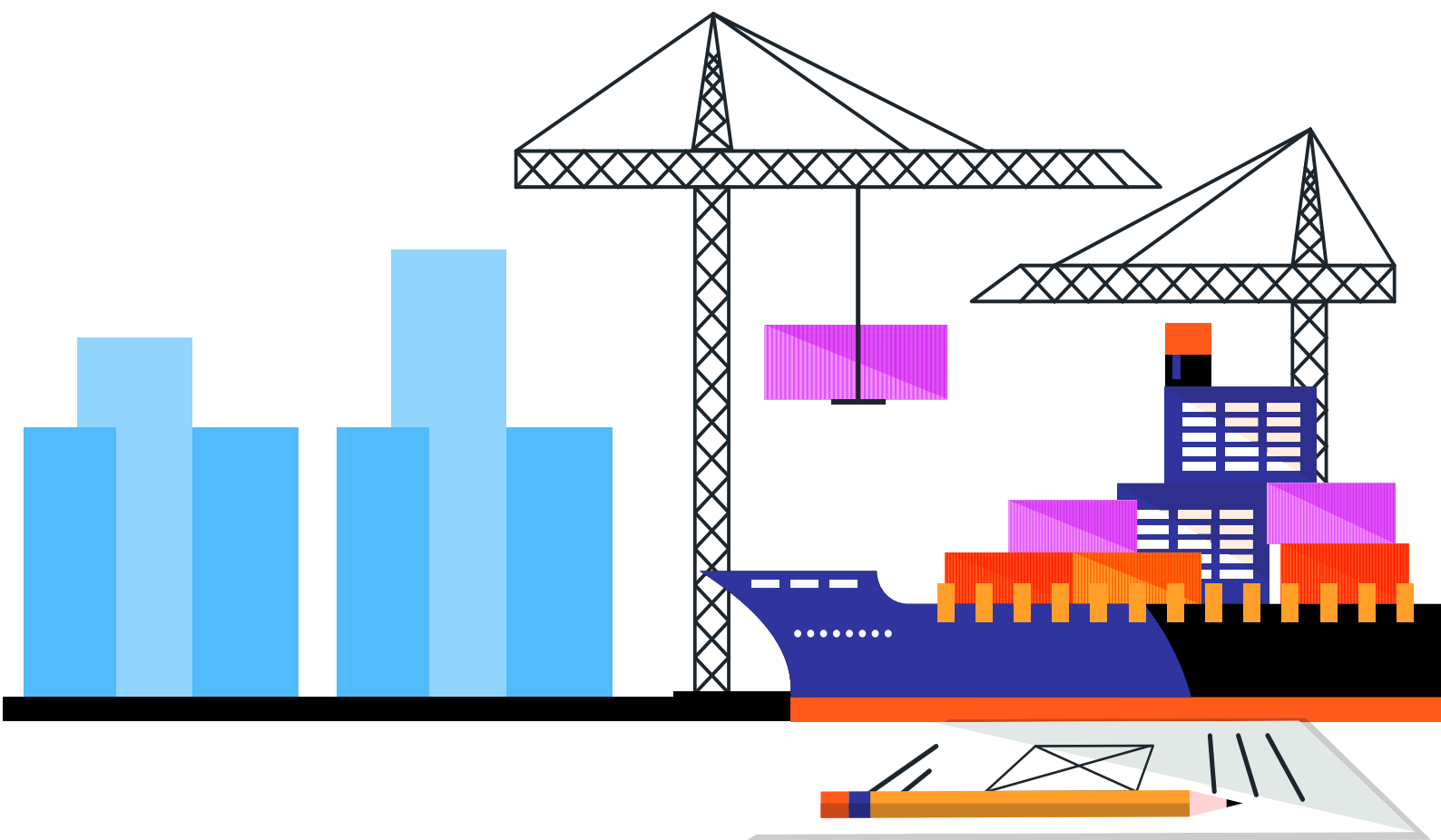




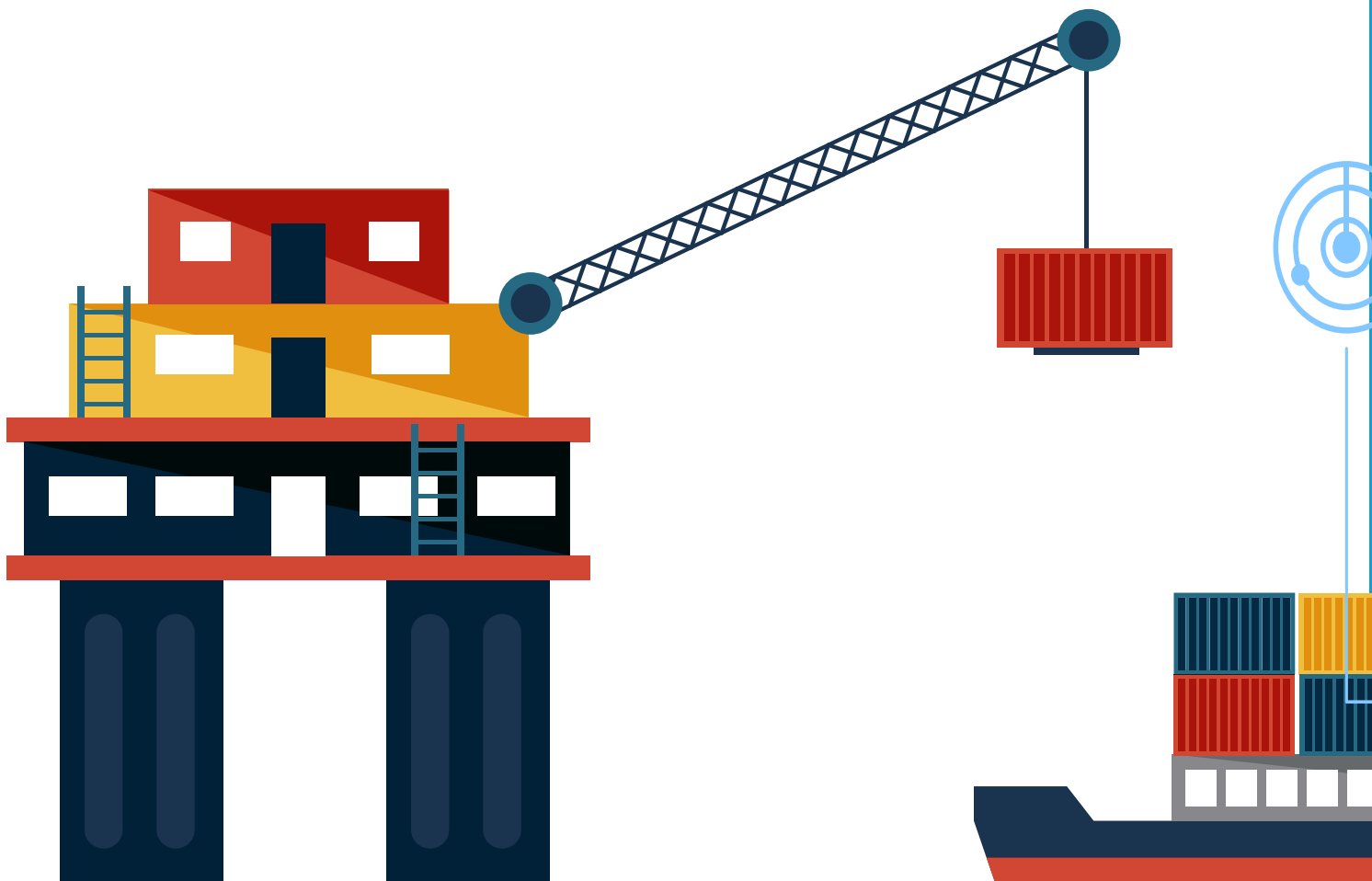
# ANNUAL REPORT L. P. NAVAL

2018-19

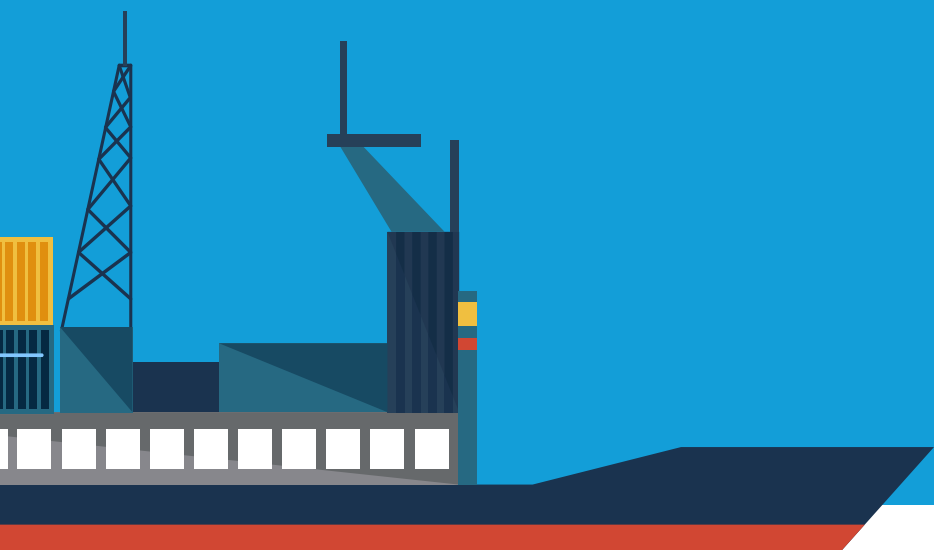


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# CHAIRMAN'S MESSAGE

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Dear Shareholders,

I am pleased to share with you an update on our Company's performance for FY2018-19; a year which has seen remarkable all-round progress. The Industrial and Infrastructural opportunity in India continues to remain attractive amidst the global economy growing at a brisk pace, albeit under the shadow of trade barriers and volatile oil prices. Moreover, this sector has come under the focus of the Government of India, which can be manifested through the government's budget allocation on this sector which scaled up to Rs. 100 lakh crores in the recently concluded budget. The government proposed two such projects, Jal Marg Vikas Project, which aimed at smoothening internal trade carried through inland water transport and Sagarmala, which would enhance port connectivity and port-linked Industrialization. Our company is a direct beneficiary of this as it would create demand in both, the Shipbuilding and Ship Repair Industry and allied engineering activities.

India's growth momentum was temporarily affected by various exercises undertaken by the government during the past 2 years like Demonetization and implementation of GST. Higher per capita consumption, a stable GST, and focussed approach by the government on Infrastructure would collectively play an important role in accelerating growth. The government has unveiled a host of initiatives taken by the government to develop and sustain growth of the Shipbuilding sector, like granting Infrastructural status to Shipyard Industry, which exempts the Industry from customs and central excise duties. The defence Industry outlook too remains very positive, especially after the "Make in India" drive in the Defence Sector with the policy of Strategic Partnerships with Private players. So overall, there is growing optimism in the Industries which our company caters to

We were able to deliver superior performance across the two segments we catered to, for our principal client, i.e., Defence and Heavy Engineering. Our company was able to cross several milestones in the year under review. We crossed turnover of Rs. 11 crores with EBITDA touching Rs. 2 crores and with PAT touching Rs.1 crore. After a couple of challenging years, we feel the worst is left behind and we seem to be in a good wicket now. As an organization, the time we spent in the past years on developing our skill sets, building capabilities and networks have delivered the desired results in the current Financial Year.

Our company in the initial couple of years, worked in the Shipbuilding Industry, manufacturing essentials for fast moving aluminium boats, and delivered 12 projects to its principal client. However, by the year FY2016, the industry struggled to maintain its growth pace, and along with the Industry it affected our company too. But for us, it acted as a blessing in disguise, as we got to diversify into other Industries such as Defence and Engineering in which our company has put a strong foot forward now. Thus, a couple of years of sluggishness did not have a long-term impact on our business and profitability.

For the roadmap ahead, it gives me immense pleasure to inform you, that our company is adding new clients to its list, while delivering quality results to the existing ones. On the Independent front too, our company is also planning to setup its own State-of-the-Art Engineering workshops. Independent projects would help boost company's Operational profitability margins.

I would like to take this opportunity to thank each and every employee as well as others who are associated with L.P. Naval and Engineering Ltd. in any way and also our partners across the value chain for their commitment and service to us.

Most importantly, I would like to thank you, our shareholders, for our overwhelming trust, support and confidence in L.P. Naval and Engineering Ltd.

Warm regards,

Sd/-  
Sanjaykumar Govindprasad Sarawagi  
Chairman  
DIN: 00005468



“As an organization,  
the time we spent in  
the past years on de-  
veloping our skill sets,  
building capabilities  
and networks have de-  
livered the desired re-  
sults in the current  
Financial Year.”

# EXECUTIVE BOARD OF DIRECTORS

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## Mr. Sanjaykumar Sarawagi

He is one of the leading industrialists of Gujarat. He is the Chairman of Laxmipati Sarees and a director of L. P. Naval and Engineering Limited. He took over the reins of his family business at a very young age and has since then grown it into India's largest manufacturer of Sarees with his immense expertise in designing, production, marketing and business development. His vast experience in formulating and implementing effective business strategies has helped the Laxmipati Group into diversifying to other business areas like engineering and defense. His future plan involves getting a strong hold into the Defence Sector through technical textiles and Engineering services.



## Mr. Manojkumar Sarawagi

He is the executive director of L. P. Naval and Engineering Limited is a marketing and sales wizard. His uncanny understanding of market dynamics and consumer behaviour has helped Laxmipati Sarees create a Pan India Presence. His strong networking skills have helped L P Naval to expand into different segments, geographies and business areas. He was instrumental in getting the first contract for L P Naval for fabrication of interceptor boats.



## Mr. Rakeshkumar Sarawagi

He is an expert in Finance, administration and personnel management. He has played a vital role in debt and equity fund raising activity of Laxmipati group and L P Naval. 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. His ability to take risks and back his team had enabled L P naval to not only diversify in different strategic areas but also grow substantially in last few years. He believes that people are the biggest asset of an organisation and nurturing the right people is a sure shot formula for success.

# COMPANY OVERVIEW

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L P Naval and Engineering has obtained the Industrial License from the Government of India for Manufacturing of War Ships.

L P Naval and Engineering Limited (Formerly known as Siddhi Vinayak Shipping Corporation Limited) is engaged in the Business of Ship Building, Ship Repair, Fabrication, Heavy Engineering, Engineering Infrastructure and services and Precision Machining.

The company was incorporated in 2012 as a Ship Building company and has in short span of time building itself as a reliable partner Manufacturing, Engineering Services, Repair and Upgrade. The company is a part of the Diversified Laxmipati Group which is engaged in Textiles, Real Estate, Power Sector, & Education.







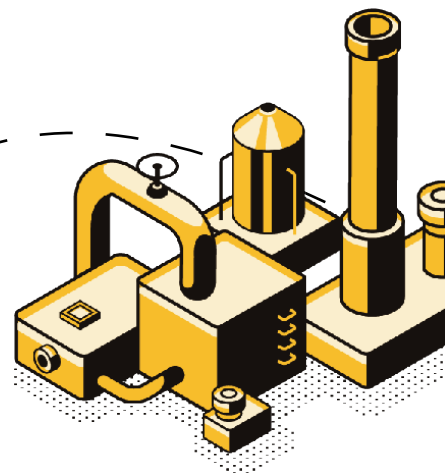
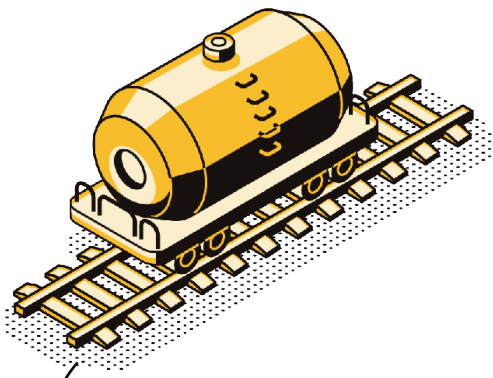
## *Vision*

TO BE GLOBAL PLAYER IN THE SHIPBUILDING/SHIP REPAIR, MANUFACTURING, HEAVY ENGINEERING, OVERLAY WELDING AND MACHINING.



## *Mission*

- TO EXCEED CUSTOMERS' EXPECTATIONS WITH A MUTUALLY COOPERATIVE APPROACH
- TO CONSISTENTLY DELIVER QUALITY PRODUCTS AND SERVICES AT COMPETITIVE COSTS.
- TO CREATE AND DELIVER VALUE FOR ALL STAKE HOLDERS AND ENSURE PROFITABILITY.
- TO SET WORLD CLASS BENCHMARKS IN THE SHIPBUILDING/SHIP REPAIR AND MANUFACTURING.
- TO FOCUS ON NEW AREAS OF GROWTH AND OPPORTUNITY.
- TO RECRUIT AND RETAIN QUALITY MANPOWER AND TALENT.
- BECOMING A PARTNER IN NATION BUILDING.





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Sanjaykumar Govindprasad Sarawagi  
Mr. Manojkumar G Sarawagi  
Mr. Rakeshkumar Govindprasad Sarawagi  
Mrs. Ruchita Amit Mittal  
Mrs. Pratibha Pankaj Gulgulia  
Mr. Girish Umesh Srivastava

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

## 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

## REGISTERED OFFICE

CIN: L3511GJ2012PLC068922  
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  
Scrip Code: 537669

Tel.: +91-261-2894415  
Fax: +91-261-2894419  
Email: cs@lpnaval.com  
Website: www.lpnaval.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: info@bigshareonline.com  
Website: www.bigshareonline.com

## AUDIT COMMITTEE

Ruchita Amit Mittal	Chairperson
Girish Umesh Srivastava	Member
Rakeshkumar Govindprasad Sarawagi	Member

## NOMINATION & REMUNERATION COMMITTEE

Girish Umesh Srivastava	Chairperson
Ruchita Amit Mittal	Member
Pratibha Pankaj Gulgulia	Member

## STAKEHOLDERS, SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

Girish Umesh Srivastava	Chairperson
Ruchita Amit Mittal	Member
Pratibha Pankaj Gulgulia	Member

## COMPANY SECRETARY / COMPLIANCE OFFICER

Mr. Kaushik Haribhai Vegad

## BOOK CLOSURE

Date: 18th September, 2019 to 24th September, 2019  
(both days inclusive)

## EIGHTH ANNUAL GENERAL MEETING

**Date:** 24th September, 2019  
**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. G.I.D.C, 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 8th Annual General Meeting of the Members of L. P. NAVAL AND ENGINEERING LIMITED will be held on Tuesday, 24th September, 2019 at 11.00 A.M. at the Registered Office of the company situated at 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 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March, 2019 together with the report of the Board of Directors & Auditors' thereon.
2. To appoint a Director in place of Mr. Manojkumar G Sarawagi, Executive Director (DIN: 00005447), 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. Manojkumar G Sarawagi, Executive Director (DIN: 00005447), who retires by rotation at this annual general meeting, be and is hereby reappointed as director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

3. To Appoint Mr. Girish Umesh Srivastava (DIN: 03017032) as an independent director:

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 149, 152, 161, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the company, Mr. Girish Umesh Srivastava (DIN: 03017032) who was appointed as an Additional Director of the company at the meeting of the Board of Directors of the Company held on 6th May, 2019 to hold office up to the date of ensuing Annual General Meeting of the Company be and is hereby appointed as a Non-Executive Independent Director of the company to hold the office for a term of five consecutive years upto 05.05.2024, and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution."

4. To re-appoint Mrs. Ruchita Amit Mittal as an Independent Woman 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 rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Ruchita Amit Mittal, (DIN: 06870740), Independent Woman Director of the Company who has submitted a declaration that she 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 29th September, 2019, and whose office shall not be liable to retire by rotation."



**"RESOLVED FURTHER THAT** Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution."

5. To Reappoint Mr. Amit Khandelwal as a Manager 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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 the consent of the Company, be and is hereby accorded to re-appoint Mr. Amit Khandelwal as Manager for a further period of five years effective from 24th July, 2020, on the terms and conditions of appointment and remuneration as approved by the Board on recommendation of Nomination and Remuneration Committee, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration not exceeding the limits specified in Schedule V to the Companies Act, 2013."

6. Approval for the material related party transaction with Siddhi Vinayak Knots & Prints Private Limited for Sale or provision of services:

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 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Siddhi Vinayak Knots & Prints Private Limited, a related party within the meaning of Section 2(76) of the Act, for sale or provision of service related to fabrications, manpower supply or other related items, on such terms and conditions as the Board of Directors may deem fit, upto a maximum aggregate value of Rs. 5 Crore per annum, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the above approval is given notwithstanding that the total amount of transaction(s) to be entered or already entered may be more than the net worth or paid up share capital and reserves of the company or turnover of the company.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to alter the terms of the above transactions as per the requirements and interest of the company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

7. Approval for the material related party transaction with Siddhi Vinayak Polyfab Private Limited for Entering into Lease and License Agreement:

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

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders be and is hereby accorded to the Board of Directors to enter and execute lease & license agreement with Siddhi Vinayak Polyfab Private Limited for using its premises situated at 186/1 & 186/2, Makhinga, Palsana, Surat 394315 Gujarat for a period upto 5 years at a Monthly Rent upto Rs. 2,00,000/- (Rupees Two Lakhs only).

**RESOLVED FURTHER THAT** the above approval is given notwithstanding that the total amount of transaction(s) to be entered or already entered may be more than the net worth or paid up share capital and reserves of the company or turnover of the company.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to alter the terms of the above transactions as

per the requirements and interest of the company

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

8. Approval for the material related party transaction for taking of Loans and paying interest thereon:

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

"**RESOLVED THAT** pursuant to Section 188 and other applicable provisions if any, of the Companies Act, 2013, in terms of the Rule 15 of the Companies (Meetings of Board and its Powers) Rule 2014 and also Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other Regulations (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to take loans and advances from the related parties as defined in the section 2(76) of the Companies Act, 2013 upto Rs. 15 Cr. at a interest rate of upto 15% p.a

**RESOLVED FURTHER THAT** the above approval is given notwithstanding that the total amount of transaction(s) to be entered or already entered may be more than the net worth or paid up share capital and reserves of the company or turnover of the company.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to alter the terms of the above transactions as per the requirements and interest of the company

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

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

Sd/-

**Date: 22/08/2019**

**Pace: Surat**

**Kaushik Haribhai Vegad  
Company Secretary**

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

**E-mail:** cs@lpnaval.com, **WebSite:** www.lpnaval.com, **Tel. No.** 0261-2894415, **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 22nd September, 2019, 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 18th September, 2019 to 24th September, 2019 (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 2018-19, the Notice of the 8th 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 8th AGM and the Annual Report 2018-19 will be available on Company's website, [www.lpnaval.com](http://www.lpnaval.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 17th September, 2019.
17. The route map of the venue of Annual general Meeting is appended to this report. The prominent land mark near the venue is Decent Restaurant.
18. 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 polling 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 polling 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. September 17, 2019.

VI. A person, whose name is recorded in the register of members as on the cut-off date, i.e. September 17, 2019 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. September 24, 2019.

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

- I. The voting period starts on Saturday, 21st September, 2019 on open of working hours (i.e 9:30 hours) and ends on the close of working hours (i.e. 05:00 hours), Monday, 23rd September, 2019. 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 17th September, 2019 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](http://www.evotingindia.com)
- III. Click on "Shareholders/Members" 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"> <li>• 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.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is 3 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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 EVSN - 190823089 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

**Date: 22/08/2019**

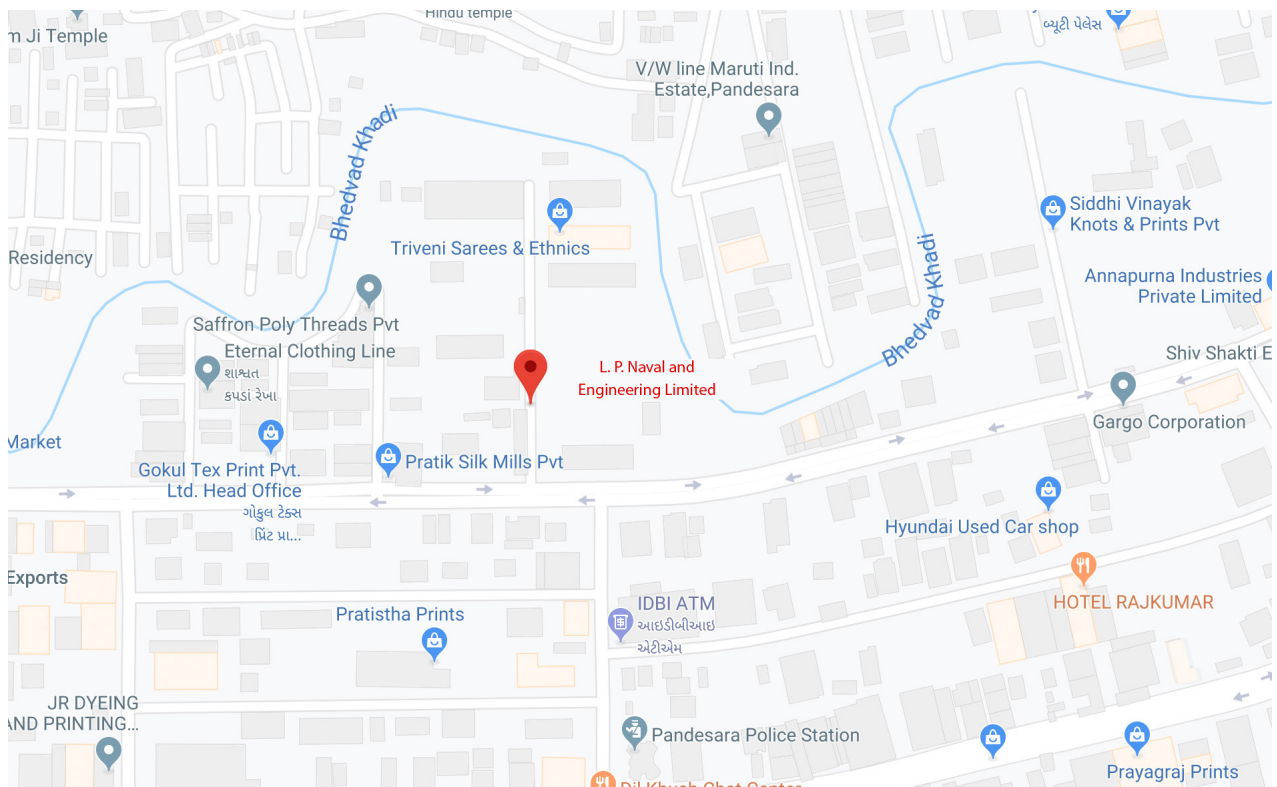
**Pace: Surat**

**Sd/-**

**Kaushik Haribhai Vegad  
Company Secretary**

# ROUTE MAP TO THE VENUE

## TO THE 8TH ANNUAL GENERAL MEETING OF THE COMPANY



# Annexure to Notice

## DETAILS OF DIRECTOR/KMP SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Companies Secretaries of India)

**1. Mr. Manojkumar G Sarawagi**, is proposed 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 and Secretarial Standards his details are as under:

Name of Director	Mr. Manojkumar G Sarawagi
DIN	00005447
Date of Birth	17/09/1974 (44 years)
Qualification	B.Com
Expertise in specific functional areas	Expert in Marketing
Experience	22 years
Terms and Conditions of Appointment/ Reappointment	As per the resolution at item No 2 of the notice convening this meeting, Mr. Manojkumar G Sarawagi is liable to retire by rotation at the meeting and eligible for re-appointment
Remuneration Last drawn	NIL
Remuneration Proposed	NIL
Date of First Appointment	07/02/2012
Relationship with Directors/ Key Managerial Personnel	Mr. Sanjaykumar Govindprasad Sarawagi and Rakeshkumar Govindprasad Sarawagi are brothers of Manojkumar G Sarawagi
List of Companies in which directorship is held as on 31/03/2019	As attached below
Chairman / Member of the Committee of other Company	Siddhi Vinayak Knots & Prints Private Limited • CSR Committee - Member
No. of Meetings of the Board Attended during the year	5

### List of Companies in which Mr. Manojkumar G Sarawagi holds directorship as on 31st March, 2019:

S.No.	Name of the Company	Nature of Interest	Shareholding	Date on which interest arose
1.	Siddhi Vinayak Knots & Prints Private Limited	Wholetime Director	7904250	05/05/2009
2.	L. P. Naval and Engineering Limited	Director	3261000	07/02/2012
3.	Surat Realators Private Limited	Director	13500	27/01/2015
4.	S.V. Plantations Private Limited	Director	5000	07/12/2015
5.	Siddhi Vinayak Knight Riders Private Limited*	Director	5000	16/08/2017

\* Siddhi Vinayak Knight Riders Private Limited is under process of Strike Off

Mr. Sanjaykumar Govindprasad Sarawagi & Mr. Rakeshkumar Govindprasad Sarawagi being relatives of director are concerned or interested in this resolution.

**2. Mr. Girish Umesh Srivastava**, is to be appointed as an Independent Director, and as per the Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015 and Secretarial Standards his details are as under:

Name of Director	Mr. Girish Umesh Srivastava
DIN	03017032
Date of Birth	05/11/1981 (37 years)
Qualification	M.A.
Expertise in specific functional areas	Educational Training and Consultancy
Experience	20 year
Terms and Conditions of Appointment/ Reappointment	As per the resolution at item No 3 of the notice convening this meeting, Mr. Girish umesh Srivastava is proposed to be Appointment as Independent Director
Remuneration Last drawn	NA
Remuneration Proposed	Nil
Date of First Appointment	06/05/2019
Relationship with other Directors	Not related to any Director
List of Companies in which directorship is held as on 31/03/2019	As attached below
Shareholding in the company	Nil
Chairman / Member of the Committee of Company	L. P. Naval and Engineering Limited <ul style="list-style-type: none"> <li>Audit Committee - Member</li> <li>Nomination and Remuneration Committee - Chairman/Member</li> <li>Stakeholders, Shareholders &amp; Investors Grievance Relationship Committee - Chairman/Member</li> </ul>
No. of Meetings of the Board Attended during the year	NA

**List of Companies in which Mr. Girish Umesh Srivastava holds directorship:**

S No.	Name of the Company	Nature of Interest	Shareholding	Date on which interest arose
1.	L. P. Naval and Engineering Limited	Director	NIL	06/05/2019

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

**3. Mrs. Ruchita Amit Mittal**, is to be re- appointed as an Independent Woman Director, and as per the Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015 and Secretarial Standards her details are as under:

Name of Director	Mrs. Ruchita Amit Mittal
DIN	06870740
Date of Birth	25/06/1992 (26 years)
Qualification	BBA
Expertise in specific functional areas	Finance
Experience	5 years
Terms and Conditions of Appointment/ Reappointment	As per the resolution at item No 4 of the notice convening this meeting, Mrs. Ruchita Amit Mittal is proposed re-appointment as Independent Director
Remuneration Last drawn	Nil
Remuneration Proposed	Nil
Date of First Appointment	29/09/2014
Relationship with other Directors	Not related to any Director
List of Companies in which directorship is held as on 31/03/2019	As attached below

Chairperson / Member of the Committee of Company	L. P. Naval and Engineering Limited <ul style="list-style-type: none"> <li>Audit Committee - Chairperson/Member</li> <li>Nomination and Remuneration Committee - Member</li> <li>Stakeholders, Shareholders &amp; Investors Grievance Committee - Member</li> </ul>
No. of Meetings of the Board Attended during the year	6

List of Companies in which Mrs. Ruchita Amit Mittal holds directorship as on 31st March, 2019:

S. No.	Name of the Company	Nature of Interest	Shareholding	Date on which interest arose
1.	L. P. Naval and Engineering Limited	Director	NIL	29/04/2014

**4. Mr. Amit Khandelwal**, is proposed to be re- appointed as Manager, and as per the Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015 and Secretarial Standards his details are as under:

Name of Manager	Mr. Amit Khandelwal
DIN/PAN	AHLPK1456E
Date of Birth	03/02/1977 (42 years)
Qualification	M.B.A, B.Sc
Expertise in specific functional areas	Expert in Marketing
Experience	17 years
Terms and Conditions of Appointment/ Reappointment	As per the resolution at item No 5 of the notice convening this meeting, Mr. Amit Khandelwal is proposed to be re-appointed as Manager
Remuneration Last drawn	Rs. 75,000 per month
Remuneration Proposed	Rs. 85,000 per month
Date of First Appointment	24/07/2015
Relationship with Directors/ Key Managerial Personnel	NA
List of Companies in which directorship is held as on 31/03/2019	Nil
Chairman / Member of the Committee of other Company	--
No. of Meetings of the Board Attended during the year	NA

**List of Companies in which Mr. Amit Khandelwal holds directorship:**

S. No.	Name of the Company	Nature of Interest	Shareholding	Date on which interest arose
1.	NIL			

**For and on behalf of the Board of Directors**

**Date: 22nd August, 2019**  
**Pace: Surat**

**Sd/-**  
**Kaushik Haribhai Vegad**  
**Company Secretary**

# Annexure to the Notice

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

### ITEM NO 3

Mr. Girish Umesh Srivastava who has been appointed as an Additional Independent Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 6th May, 2019 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director.

Mr. Girish Umesh Srivastava is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Girish Umesh Srivastava as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Girish Umesh Srivastava, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

The Board recommends this Resolution for Members approval.

### ITEM NO 4

As per Section 149(10) of the 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 on the basis of the report of performance evaluation of independent director, Mrs. Ruchita Amit Mittal, it is proposed to re-appoint her 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 29th September, 2019. In the opinion of the Board, Mrs. Ruchita Amit Mittal fulfills the conditions specified in the Act.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Ruchita Amit Mittal as an Independent Director. Accordingly, the Board recommends passing of the Resolution as a Special Resolution.

Except Mrs. Ruchita Amit Mittal, 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.

The Board recommends this Resolution for Members' approval.

### ITEM NO 5

Mr. Amit Khandelwal was appointed as Manager of the company in AGM held on 24th July, 2015 for a term of 5 years from that AGM. The tenure of the manager will expire on 23rd July, 2020, so the approval of members is hereby accorded for re-appointing the manager for the further term of 5 year commencing from 24th July, 2020 on the terms and conditions as approved by the board on recommendation of Nomination and Remuneration Committee.

Mr. Amit Khandelwal being eligible, the resolution seeks approval of members for his reappointment as Manager for a period of 5 years. Consent in writing has been received from Mr. Amit Khandelwal as a manager of the Company.

None of the Directors, Key Managerial person or their relatives are interested in the resolution.

The Board recommends this Resolution for Members approval.

**ITEM NO 6**

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides that a Related Party Transaction will require prior approval of shareholders through resolution, if the transaction(s) to be entered into individually or taken together with the previous transactions during a financial year exceeds 10% of the turnover of the Company as per last audited financial statements of the Company. The value of proposed aggregate transactions with Siddhi Vinayak Knots & Prints Private Limited (SVKPPL) is likely to exceed the said threshold limit, and is expected to be around Rs. 5 Crore during the financial year 2019-20.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with SVKPPL in the financial year 2019-20.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with SVKPPL are as follows:

Name of the related party	Siddhi Vinayak Knots & Prints Private Limited
Name of the director or key managerial personnel who is related	Mr. Sanjaykumar Sarawagi, Mr. Manojkumar Sarawagi and Mr. Rakeshkumar Sarawagi are the common directors in both company i.e. Siddhi Vinayak Knots & Prints Private Limited and L. P. Naval and Engineering Limited.
Nature of relationship	Common Director
Nature, material terms, monetary value and particulars of the contract or arrangement/service	Sale of fabrications shall be on running basis. Monetary value of proposed aggregate transactions during financial year 2019-20 and future year is expected to be Rs. 5 Crore p.a.
Any other information relevant or important for the members to take a decision on the proposed resolution	None

Mr. Sanjaykumar Sarawagi, Mr. Manojkumar Sarawagi, Mr. Rakeshkumar Sarawagi, Directors of the company and their relatives who directly hold in aggregate 41,68,000 equity shares of the Company are concerned or interested in the resolutions mentioned in Item No. 6. None of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

The Board recommends this Resolution for Members' approval.

**ITEM NO 7**

The Company desires to take premises of Siddhi Vinayak Polyfab Private Limited situated at 186/1 & 186/2, Makhinga, Palsana, Surat 394315 Gujarat for a period of 5 (Five) years at a monthly rent of Rs. 2,00,000/- (Rupees Two Lakhs only) on leave and license basis for official purpose. Further the transactions entered into with the Siddhi Vinayak Polyfab Private Limited either singly or taken together with this transaction may exceed the 10% of the turnover of the company as per last audited financial statement of the company, therefore the members approval through resolution is required. The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

Name of the related party	Siddhi Vinayak Polyfab Private Limited
Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Sanjaykumar Sarawagi and Mr. Rakeshkumar Sarawagi are the common directors in both company i.e. Siddhi Vinayak Polyfab Private Limited and L. P. Naval and Engineering Limited.
Nature of relationship	Common Director
Nature, material terms, monetary value and particulars of the contract or arrangement;	Company proposed to take on rent, one premises from Siddhi Polyfab Private Limited for official purpose. Company can also use the premises for any other purpose as per its discretion.
the nature, duration of the contract and particulars of the contract or arrangement;	Leave and license agreement for 5 years.
the material terms of the contract or arrangement including the value	Monthly rent upto Rs. 2,00,000/-



Mr. Sanjaykumar Sarawagi, Mr. Manojkumar Sarawagi, Mr. Rakeshkumar Sarawagi, Directors of the company and their relatives who directly hold in aggregate 41,68,000 equity shares of the Company are concerned or interested in the resolutions mentioned in Item No. 7. None of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

The Board recommends this Resolution for Members' approval.

#### ITEM NO 8

Presently the company has taken following unsecured loan from Related Parties:

Name	Outstanding Amount of Loan Taken
Manoj Sarawagi	62,24,000
Sanjay Sarawagi	2,56,05,000
Rakesh Sarawagi	2,68,05,000

The company seeing a good increase in turnover of company further wants to take financial assistance by the by way of loan from the related parties upto amount of Rs. 15 Cr. at rate of interest upto 15% p.a. Although the interest amount is not exceeding the limit of 10% of the turnover of the company as per the last audited financial statement but it exceeds the limit if the transaction taken together with the amount of Loan and all the other transactions collectively.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with related party in the financial year 2019-20.

Mr. Sanjaykumar Sarawagi, Mr. Manojkumar Sarawagi, Mr. Rakeshkumar Sarawagi, Directors of the company and their relatives who directly hold in aggregate 41,68,000 equity shares of the Company are concerned or interested in the resolutions mentioned in Item No. 8. None of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

The Board recommends this Resolution for Members' approval.

# DIRECTOR'S REPORT

## TO THE MEMBERS,

Your Directors take pleasure in presenting the 8th Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March 2019.

## FINANCIAL PERFORMANCE/ STATE OF AFFAIRS:

During the financial year ended 31st March 2019, your company has recorded a total revenues of Rs. 11,30,05,445/- against Rs. 1,05,56,212/- in the previous year, representing an increase of 970.51%. During the year, the company has incurred profit of Rs. 1,00,68,902/-.

Financial performance of the Company for Financial Year 2018-19 is summarized below:

(Figure in rupees)

Particulars	2018-19*	2017-18*
Total Revenues	11,30,05,445	1,05,56,212
Expenses Before Depreciation & Amortization	9,74,95,009	1,94,72,811
Profit/ (Loss) Before Depreciation	1,55,10,436	(89,16,599)
Less: Depreciation & Amortization	31,36,804	15,21,936
Profit/ (Loss) before Exceptional & Extraordinary items & tax	1,23,73,632	(1,04,38,535)
Less: Exceptional items	--	8,07,894
Profit/ (Loss) before tax	1,23,73,632	(1,12,46,429)
Less: Tax Expenses		
- Current Tax	18,80,874	--
- Deferred Tax	4,23,856	69,583
- Income tax of earlier years	--	590
Net Profit/ (Loss) For The Year	1,00,68,902	(1,13,16,602)
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 doesn't declared dividends as the company is at growing stage and requires funds for expansion. Your Directors are unable to recommend any dividend for the year ended 31st March, 2019.

## 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, 2019 was Rs. 575.20 Lacs. There has been no change in the Equity Share Capital of the Company during the year.

## MATERIAL CHANGES:

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## TRANSFER TO RESERVES:

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

## 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, 2019, 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, 2019 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

#### **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.

#### **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. This Report is also available on the Company's website at [www.lpnaval.com](http://www.lpnaval.com)

#### **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 II.

#### **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 detailed composition along with their attendance forms the part of Corporate Governance Report as given in Annexure III. The composition of the Board and its committee is also available on the website of the company at [www.lpnaval.com](http://www.lpnaval.com).

#### **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 III. 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.

#### **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 7th Annual General Meeting held on 30.07.2018 holds office until the conclusion of the 12th Annual General Meeting.

**SECRETARIAL AUDITOR:**

The Board had appointed Mr. Ranjit Kejriwal, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2018-19. 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 2018-19.

**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.

**MAINTENANCE OF COST RECORDS**

The company is not required to maintain Cost Records as specified by Central Government under section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained

**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 <https://www.lpnaval.com/storage/app/media/11%20Related%20Party%20transaction.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.

**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

**CEO/ CFO CERTIFICATION**

In terms of Regulation 17(8) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, , the CFO has certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2018-19. The certificate received from CFO is attached herewith as per Annexure IX.

**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. Manojkumar Govindprasad Sarawagi (DIN: 00005447), Executive Director, retire by rotation and is being eligible has offered himself for re-appointment at the ensuing Annual General Meeting, Mrs. Ruchita Amit Mittal, (DIN: 06870740) is to be reappointed as an Independent Woman Director for a term of five years from 29th September, 2019 and Mr. Girish Umesh Srivastava (DIN: 03017032) is to be appointed as an Independent Director in this Annual General Meeting. Mr. Amit Khandelwal, Manager of the company is proposed to be reappointed for the further term of five years from the completion of his tenure. Company's policy on directors' appointment and remuneration is available in the web link <https://www.lpnaval.com/storage/app/media/8%20Nomination%20and%20Remuneration.pdf>

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013 except Mr. Maheshkumar Hariram Saboo, who has resigned from directorship in the company w.e.f 24th April, 2019. The following changes have been made to the Directors and KMP of the Company during the year and after the end of the year but up to the date of the Report:

S. No	Name	Designation	Appointment Date	Resignation Date
1	Miss Vinita Dinesh Agarwal	Company Secretary	06/12/2017	07/04/2018
2	Mr. Kaushik Haribhai Vegad	Company Secretary	07/04/2018	--
3	Mr. Maheshkumar Hariram Saboo	Independent Director	21/12/2013	24/04/2019
4	Mr. Girish Umesh Srivastava	Additional Director	06/05/2019	--

**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 <https://www.lpnaval.com/codes-and-policies>

**STATUTORY INFORMATION:**

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

## **SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## **FRAUD REPORTING**

During the year under review, no fraud has been reported by Auditors under Section 143(12) of the Companies Act, 2013.

## **COMPLIANCE CERTIFICATE FROM THE AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

A certificate received from M/s R. Kejriwal & Co., Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as per Annexure – X

## **CODE OF CONDUCT:**

Board of Directors has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Executive Director as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as Annexure – XI.

## **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 has complied with provisions relating to the constitution of Internal Complaints Committee 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 2018-19 and hence no complaints remain pending as of 31 March, 2019.

## **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**

**Place: Surat**

**Date: 22/08/2019**

**Sd/-**

**Sanjaykumar Govind Prasad Sarawagi**

**Chairman**

**DIN: 00005468**

# Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

[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,  
Pandrasara, Surat-394221  
Ph.: 0261-2894415  
E-mail: cs@lpnaval.com  
Website: www.lpnaval.com
- 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: info@bigshareonline.com  
Website: http://www.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:-

S. No.	Name and Description of main products / Services	NIC Code of the Products/ Services	% to total turnover of the company
1	Fabrication	30111	99.98%
2	Other Income	64199	0.02%

## 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 the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>1. Indian:</b>									
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
<b>Total of (1)</b>	<b>4168000</b>	<b>0</b>	<b>4168000</b>	<b>72.46</b>	<b>4168000</b>	<b>0</b>	<b>4168000</b>	<b>72.46</b>	<b>0</b>
<b>2. Foreign</b>									
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
<b>Total A (1+2)</b>	<b>4168000</b>	<b>0</b>	<b>4168000</b>	<b>72.46</b>	<b>4168000</b>	<b>0</b>	<b>4168000</b>	<b>72.46</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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
<b>Total of (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>a. Body Corporate</b>									
i. Indian	501000	0	501000	8.71	510000	0	510000	8.87	0.16
ii. Overseas	0	0	0	0	0	0	0	0	0



i. Individual shareholders holding nominal share capital upto Rs.1 lakh	339000	0	339000	5.89	300000	0	300000	5.22	(0.68)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	744000	0	744000	12.93	774000	0	774000	13.46	0.52
c. Others ( Clearing Member)	0	0	0	0	0	0	0	0	0
<b>Total of (2)</b>	<b>1584000</b>	<b>0</b>	<b>1584000</b>	<b>27.54</b>	<b>1584000</b>	<b>0</b>	<b>1584000</b>	<b>27.54</b>	<b>0</b>
<b>Total B (1+2)</b>	<b>1584000</b>	<b>0</b>	<b>1584000</b>	<b>27.54</b>	<b>1584000</b>	<b>0</b>	<b>1584000</b>	<b>27.54</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Total A+B+C</b>	<b>5752000</b>	<b>0</b>	<b>5752000</b>	<b>100</b>	<b>5752000</b>	<b>0</b>	<b>5752000</b>	<b>100</b>	<b>0</b>

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
	<b>Total</b>	<b>4168000</b>	<b>72.46%</b>	<b>0</b>	<b>4168000</b>	<b>72.46%</b>	<b>0</b>	<b>0</b>

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.	<b>MIKER FINANCIAL CONSULTANTS PVT LTD</b>					
	At the Beginning of the year	201000		3.49	201000	3.49
	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):	06/04/18	Transfer	6000	207000	3.60
		24/07/18	Transfer	-45000	162000	2.82
		27/07/18	Transfer	27000	189000	3.29
		30/07/18	Transfer	-42000	147000	2.56
		03/08/18	Transfer	3000	150000	2.61
		10/08/18	Transfer	-51000	99000	1.72
		31/08/18	Transfer	-42000	57000	0.99
		07/09/18	Transfer	-57000	0	0.00
		05/10/18	Transfer	57000	57000	0.99
	At the end of the year	57000		0.99	57000	0.99
2.	<b>THAKURJI INTERNATIONAL PRIVATE LIMITED</b>					
	At the Beginning of the year	174000		3.03	174000	3.03
	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):	29/03/19	Transfer	-27000	147000	2.56
	At the end of the year	147000		2.56	147000	2.56
3.	<b>MANGESH K KANGUTKAR</b>					
	At the Beginning of the year	111000		1.93	111000	1.93
	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			111000	1.93
	At the end of the year	111000		1.93	111000	1.93

4.	<b>SONU PRAVIN DADLIKA</b>					
	At the Beginning of the year			105000	1.83	105000 1.83
	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):	28/09/18	Transfer	-6000		102000 1.72
	At the end of the year			99000	1.72	99000 1.72
5.	<b>UNICON TIE UP PRIVATE LIMITED</b>					
	At the Beginning of the year			6000	0.10	6000 0.10
	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):	04/05/18	Transfer	36000		42000 0.73
		23/07/18	Transfer	-42000		0 0.00
		27/07/18	Transfer	30000		30000 0.52
		07/09/18	Transfer	42000		72000 1.25
		29/03/19	Transfer	27000		99000 1.72
	At the end of the year			99000	1.72	99000 1.72
6.	<b>SUMIT KHETAN</b>					
	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 1.56
	At the end of the year			90000	1.56	90000 1.56
7.	<b>VINODKUMAR R MALI</b>					
	At the Beginning of the year			78000	1.36	78000 1.36
	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):	27/07/18	Transfer	-42000		36,000 0.63
		03/08/18	Transfer	-21000		15,000 0.26
	At the end of the year			15000	1.20	15000 0.26
8.	<b>DEEPALI AMIT SINGHAL</b>					
	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		69000 1.20
	At the end of the year			69000	1.20	69000 1.20
9.	<b>USHA PRADEEP SINGHAL</b>					
	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		66000 1.15
	At the end of the year			66000	1.15	66000 1.15
10.	<b>NEETA DEVI KHAITAN</b>					
	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		60000 1.04
	At the end of the year			60000	1.04	60000 1.04

11.	<b>UJAWAL TRENDZ</b>				
	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		57000	0.99
	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	<b>MANOJKUMAR GOVINDPRASAD SARAWAGI, DIRECTOR</b>				
	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	<b>RAKESHKUMAR GOVINDPRASAD SARAWAGI, DIRECTOR</b>				
	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	<b>SANJAYKUMAR GOVINDPRASAD SARAWAGI, DIRECTOR</b>				
	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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning				
i) Principal Amount	4,30,860	7,49,48,375	-	7,53,79,235
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,30,860	7,49,48,375	-	7,53,79,235
Change in Indebtedness during the year				
· Addition	-	4,35,78,407	-	4,35,78,407
· Reduction	-4,30,860	-	-	-4,30,860
Net Change	-4,30,860	4,35,78,407	-	4,31,47,547
Indebtedness at the end				

i) Principal Amount	-	11,85,26,782	-	11,85,26,782
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	11,85,26,782	-	11,85,26,782

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. 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	10,50,000	10,50,000
	(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)	10,50,000	10,50,000
	Ceiling as per the Act	Rs. 12.37 Lakh	

Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		PRATIBHA PANKAJ GULGULIA	RUCHITA AMIT MITTAL	MAHESH-KUMAR HARIRAM SABOO*	GIRISH UMESH SRIVASTAVA#	
1	Independent Director					
	a. Fees for attending board/ committee meeting	NIL				NIL
	b. Commission	NIL				
	c. Others, please specify	NIL				
	Total (I)					
2	Other Non-Executive Directors					
	a. Fees for attending board/ committee meeting	NIL				NIL
	b. Commission	NIL				
	c. Others, please specify	NIL				

	<b>Total (2)</b>					
	<b>Total (B) = (1+2)</b>	NIL				NIL
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act</b>	Rs. 1.24 Lakh				

\* Resigned w.e.f. 24/04/2019

#Appointed w.e.f. 06/05/2019

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

S. No.	Particulars	Key Managerial Personnel		
		Kaushik Haribhai Vegad (CS)	Mustafa Moiz Haji (CFO)	Total
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,02,501	4,90,000	8,92,501
	(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	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>	-	-	-
4	<b>Commission -</b>	-	-	-
	<b>as % of Profit</b>	-	-	-
	<b>Others, Specify</b>	-	-	-
5	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	4,02,501	4,90,000	8,92,501
	<b>Ceiling as per the Act</b>	N.A		

#### 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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>B. DIRECTOR</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

**Date: 22/08/2019**

**Place: Surat**

**For L. P. NAVAL AND ENGINEERING LIMITED**

Sd/-  
**Sanjaykumar Govind Prasad Sarawagi**  
Chairman  
DIN: 00005468

# Annexure II

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to the Company and/or its Businesses are intended to identify such forward-looking statements. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This report should be read in conjunction with the financial statements included and the notes.

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### Global Economic Scenario

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half FY2018, reflecting a confluence of factors affecting major economies. Global growth is now projected to return to 3.6 percent in 2020 from 3.3 percent in FY2019. The pickup in growth rates is expected to come from notable upside surprises from Europe and Asia.

Source: IMF

#### Indian Economic Scenario

As per the IMF report, the Indian Economy GDP is all set to pick up and grow at a rate of above 7.5% in the coming years compared to the growth rates of 7.1% to 7.3% in the previous years. The RBI policy has also turned accommodative as it has been cutting Repo Rates in order to encourage lending and increase investments in the economy and benefit Industrial and Infrastructural Production. Acknowledging some of the Government's reforms like GST, India's witnessed its credit rating get upgraded as well as raised its outlook from stable to positive. GST not only is creating a level playing field for the manufacturers, but is also moving things towards the Organised Sector from the Unorganised. All in all, the government policies along with that of the RBI, is improving the prospects for Government's ambitious 'Make in India' programme. India recorded a jump of 23 positions and now it is placed at the 77th position in the Ease of doing business assessed by the World Bank, a record jump of 53 positions in the last two years.

The Government's increasing budgetary support to Infrastructure and Industrial Development is likely to accelerate growth and help India regain its status of one of the fastest growing Economy of the World. Industrial Production in India in the long-term is projected to trend towards 6.50 percent by 2020 increasing from 4.3 percent in April 2019. Our Company is a direct beneficiary from the picking up of Industrial and Infrastructural Development in the country.

#### Industry Outlook and Trends

The Company caters to a portfolio of Industries like Defence, Ship Building and Repair, and Machining and Engineering.

#### Defence Sector

The Government's allocation to Defence Sector has been on a constant rise with an allocation of about 3.18 lakh crores for FY2019-20, which is approximately more than 2.30% of the total GDP. The Production of Indian Defence Equipments prior to 2011 was completely in the hands of the Government of India. However, after that the Government has been encouraging Private Sector participation with its "Strategic Partnerships with Private Players" in manufacturing of aircrafts, submarines, and specialised boats. Our Company is likely to benefit from this drive, by getting orders through its Principal Client. Moreover, the Company had received license from the Department of Industrial Policy and Promotion (DIPP) in FY2017 to manufacture warships. This shall too start generating revenue for the Company in the coming years.

#### Shipbuilding Industry

The Indian Shipbuilding and Ship Repair Industry primarily comprises of firms that develops, build and repair ships, under-water Equipments and naval architectures, for the Shipping Industry and Naval Defence. However, India's share in Shipbuilding is minimal due to stiff competition from foreign players like China and Korea which have an upper hand in design and manpower costs. India's share in Global Ship Repair Market is less than 1% even though around 7-9% of Global Trade passes within 300 NM(Nautical Miles)of its coastline. Among the areas where India loses the battle to bag Global Ship Repair Order is lack of availability of spares within the country as most of the Original Equipment Manufacturers (OEMs) are foreign-based. Moreover, time delays and cost overruns are among the other reasons as to why India is not an attractive destination for repairs. Thus, this is both a cause of concern and a huge opportunity for India's Shipping and Shipbuilding sector.



Certain policies like granting Infrastructure status to Shipyard Industry, which exempts the Industry from customs and central excise duties on inputs utilized for the purpose of manufacturing of Ships have been improving the current scenario, but it is still a long sail for India.

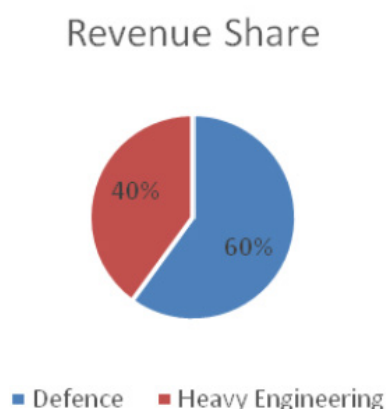
### **Machining and Engineering Sector**

The Engineering sector in India is the largest and most diversified of all Industrial manufacturing sectors. It is a strategically important sector to the economy as the output drives a broad base of industries acting as a critical input. The turnover of Capital Goods Industry in India is estimated to grow to USD 115.17 billion by 2025 which is a big leap forward from USD 70 billion in 2017.

The Infrastructure Supporting Industries Index (part of the wider Index of Industrial Production) comprises eight core industries: Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement and Electricity. The index rose to 125.7 in FY18, implying a growth rate of 4.3% in that year.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Revenue from Defence Sector in FY2018-19 represented 60% of our company's turnover, while Heavy Engineering representing the rest.



Our company's dedicated team understands the technical requirements of the business, and with the help of its strong business network, is expected to increase its client base and get independent orders as well, which will give a major boost to Topline. Moreover, Our Company had received Industrial License from Department of Industrial Policy and Promotion (DIPP) in FY2017 to manufacture warships. Along with that, Our Company is also planning to setup its own State-of-the-Art Engineering workshops.

Since our company's Incorporation in FY2012, it worked in the Shipbuilding Industry, manufacturing essentials for fast moving aluminium boats for its principal client and then diversified into Engineering Services and Defence projects, along with Maintenance and Repair Work. Company also ventured into reactor and pressure vessel division. Thus, our company has a diversified pool of Industries to cater to, reducing the cyclicity component and doesn't depend on one particular Industry.

Our company expects its business relations with its principal client to remain intact, which would bring in stability in profitability while the new Independent projects can boost the profitability margins along with Topline growth.

### **OUTLOOK**

Given the potential orders which the Company is likely to receive from its Principal client and as well as on its own, gives a clearer picture on the road map ahead. With the help of strong networking and client relations, our company in the future is likely to:

- Manufacture warships as it had received license in FY2017 from the Department of Industrial Policy and Promotion (DIPP).
- Generate revenue, from the cross-country Pipeline Pilot Project that it is working on.

## RISKS AND CONCERNS

- Global Trade can be influenced by Political uncertainties around the World, with countries like the US changing trade policies.
- The Industries in which our Company is engaged in are highly cyclical in nature and are also sensitive to cyclical nature of the industries it serves such as Oil, transportation, natural gas and other trade-related business.
- Slow speed of project approval can affect the Industry and our Company adversely.
- The major component of the Company's expenditure is incurred towards its skilled and unskilled Employees. Any unavailability of manpower can cause hindrance to Company's Operations, and any further shortage can unfavourably push the wage rates up

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

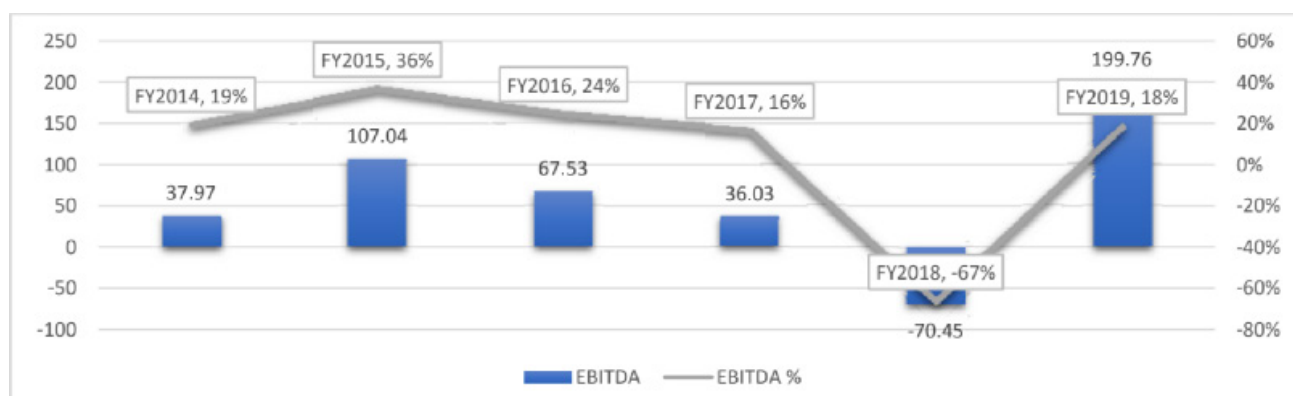
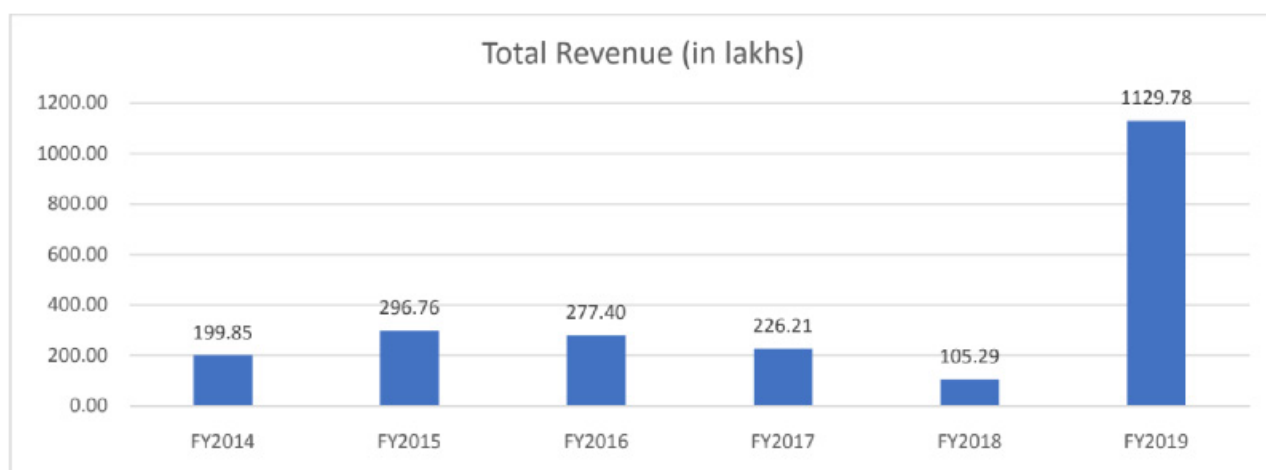
The Company has in place an adequate system of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the described 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.

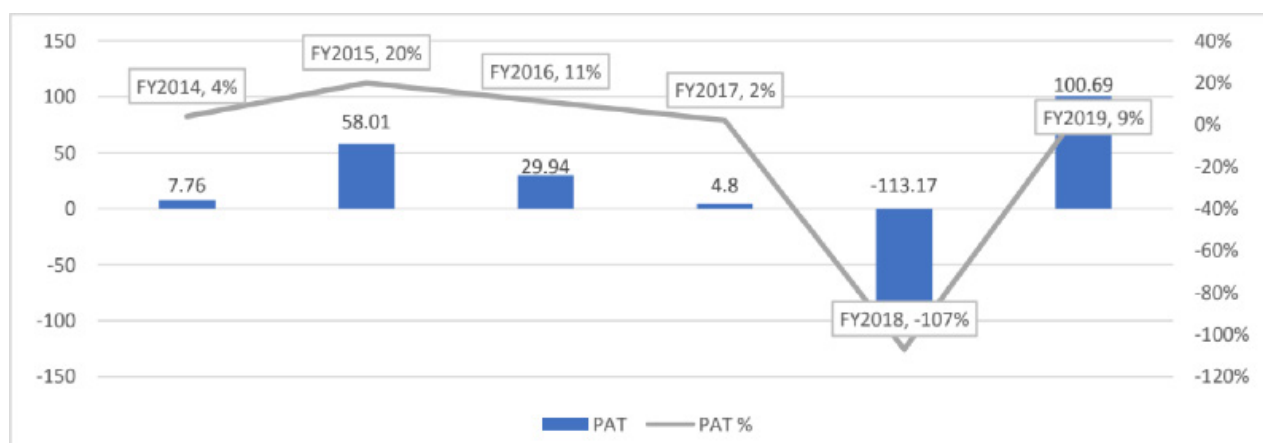
## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In FY 2018-19, revenue grew to Rs. 11.30 crores, a growth of 970% from FY 2017-2018. EBITDA came in at around Rs. 2 crores, compared to -70 lakhs in the previous Financial Year. PAT was 1 crore, an improvement from -1 crore from last year. The company witnessed itself coming out of the troubled times which it faced in the last couple of years, due to adverse market conditions and excessive dependence on a particular sector. The company has left the worst behind them and is expected to be on a good wicket now.

To conserve resources for our Company's future growth plans, no dividend is being recommended by the Directors for the year ended 31st March, 2019.

Moreover, our company invested resources in seeking new projects in the last couple of years, which gave the desired results in FY2018-19.





\* Both EBITDA and PAT in lakhs

\*all Operating expenses has been considered for arriving at EBITDA

Our company generated its major revenue in FY2018-19, by providing manpower (skilled and unskilled: 500+) and fabrication services to its principal client. The sectors of the principal client which our company catered to in FY2018-19 were Defence and Heavy Engineering, in which Defence sector contributed majority of the portion.

### SWOT Analysis

#### a) Strengths

- The company having diversified businesses to cater to.
- Strong business networks allow the company to get independent orders and sub-contracts from its Principal Client.
- Low cost Manufacturing ability.
- Experienced and Dynamic Workforce.

#### b) Weakness

- Ship Building, Heavy Engineering and Defence Equipment Manufacturing, all three Businesses are capital Intensive.
- Lack of building larger capacity ships.
- Long Product cycle as approvals take time, especially in Defence Sector.

#### c) Opportunities

- Launch of "Make in India" initiative uplifting Domestic Production.
- 90% of India's International Trade carried through Waterways ensuring Repair and Maintenance Demand.
- Increase Infrastructure spending with supportive government policies like De-licensing, increasing FDIs and easier credit facilities. L.P. Naval's Engineering segment is likely to benefit from it.
- Constantly increasing Government Budget allocation to the Defence Sector because of growing Defence needs.
- Government Policies favouring Private Players in the Defence Sector.
- Coast Guard demand for ships and boats providing opportunities to the company.

#### d) Threats

- Strong Competition from established yards in China and Korea. They have an upper hand in design and manpower costs in Shipbuilding.
- Commercial Shipbuilding growth is constrained by Global oversupply.
- Rapidly changing technology in the Defence Sector.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

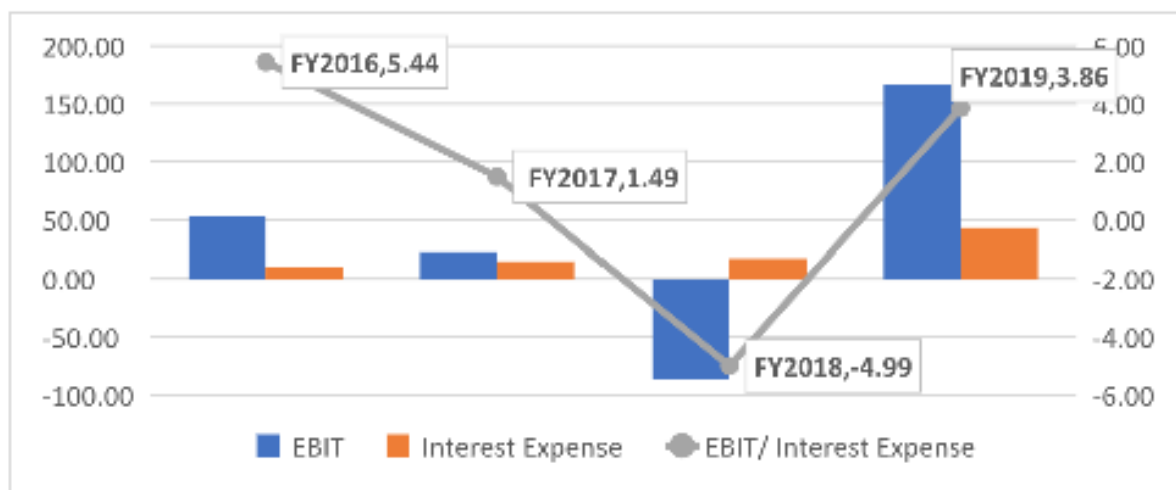
Our company firmly believes that its human resources are the key enablers for the growth of the company and are an important asset. Hence, the success of the company is closely aligned to the goals of the human resources of the company. Our company has over 500+ employees, skilled and unskilled combined, who are proficient and carry rich experience. They form a perfect team, and are the true reason behind the improvement of the performance of our Company. Taking this into account, our Company would continue to invest in developing its human capital and establishing its brand on the market to attract and retain the best talent.

## DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

### Interest Coverage Ratio

Your company has an Interest Coverage ratio of 3.86 (FY2019) indicating more than enough earnings to cover interest payments, thus indicating a sound financial health of your company. FY2018 was a challenging year for the Industry and us operationally, but we are back on track, and it is expected to get better from hereon.

In lakhs (INR)	FY2016	FY2017	FY2018	FY2019
EBIT	53.41	22.34	- 86.97	167.05
Interest	9.82	15.01	17.41	43.31

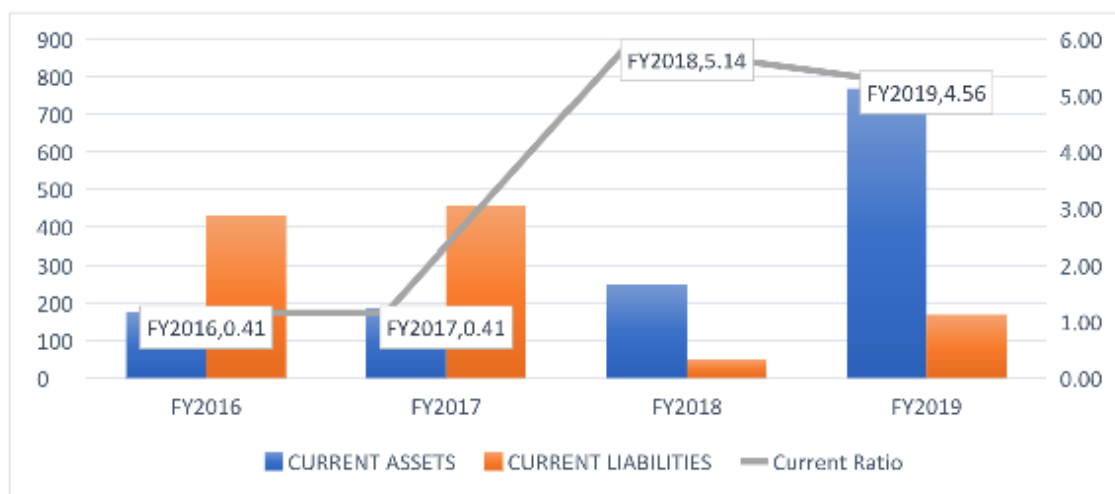


\*\* Bank charges and loan processing charges are not considered while arriving at interest and EBIT

### Current Ratio

A ratio of 4.56 (FY2019) indicates that our company has enough resources to meet short-term obligations.

In lakhs (INR)	FY2016	FY2017	FY2018	FY2019
Current Assets	175.42	186.24	250.05	768.67
Current Liabilities	429.63	456.11	48.63	168.46

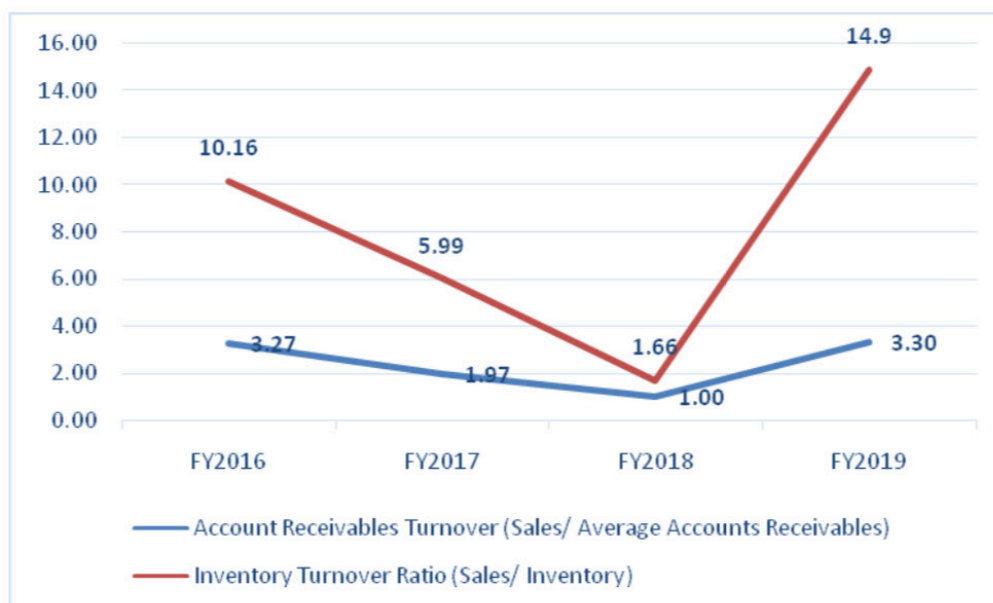


### Debtor's and Inventory Turnover Ratio

Debtor's Turnover Ratio measures how many times a business can turn its accounts receivable into cash during a period. A ratio of 3.30 for FY19 shows good liquidity with the company.

The inventory turnover ratio is an important measure as well which measures how well a company generates sales from its inventory. A ratio of 14.9 (FY19) typically means that our company is able to sell goods quickly and there is existence of demand for the products and services provided by our company.

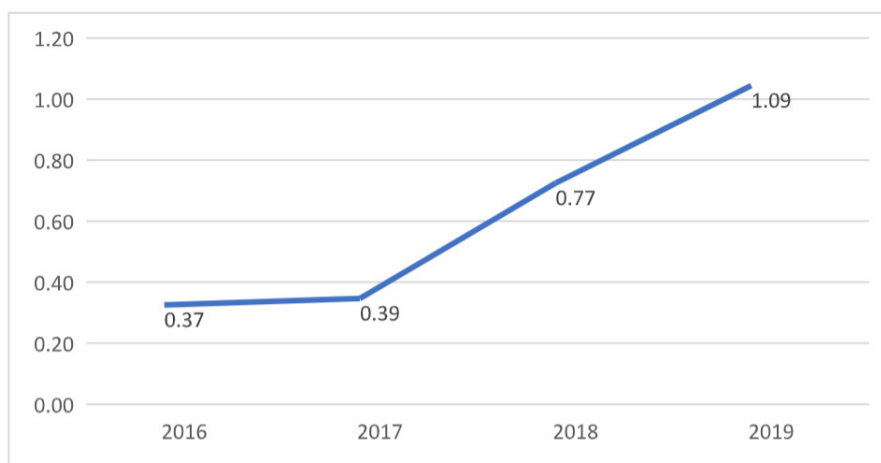
	FY2016	FY2017	FY2018	FY2019
<b>Debtor Turnover (Sales/ Average A/R)</b>	3.27	1.97	1.00	3.30
<b>Inventory Turnover Ratio (Sales/ Inventory)</b>	10.16	5.99	1.66	14.90



### Debt Equity Ratio

The Debt to Equity ratio is 1.09, which is quite stable according to Industry norms, Company being approximately equally financed by Debt and Equity.

In lakhs (INR)	FY2016	FY2017	FY2018	FY2019
<b>Shareholder's Equity</b>	1085	1090	977	1077
<b>Long-term Debt</b>	398	423	748	1169
<b>Long- term Debt to Equity</b>	0.37	0.39	0.77	1.09

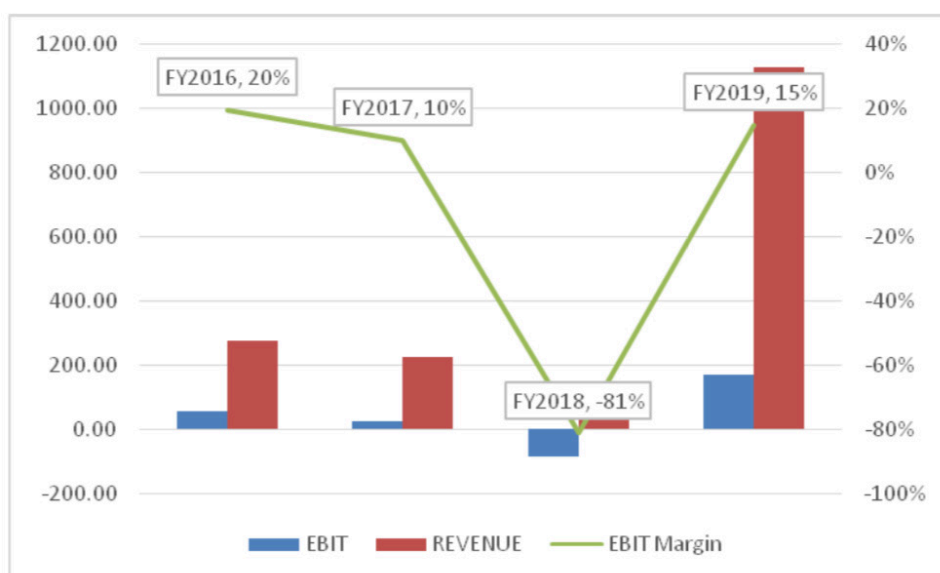


\*long-term and short-term debt has been taken into consideration

### Operating Profit Margin (%)

The margins have varied over the past few years, but our company expects to grow its revenue along with achieving Operational efficiency which can be expected to boost the Operational Margins.

In lakhs (INR)	FY2016	FY2017	FY2018	FY2019
EBIT	54.54	23.18	-85.67	168.40
REVENUE	277.70	226.49	105.56	1130.05
EBIT Margin	20%	10%	-81%	15%

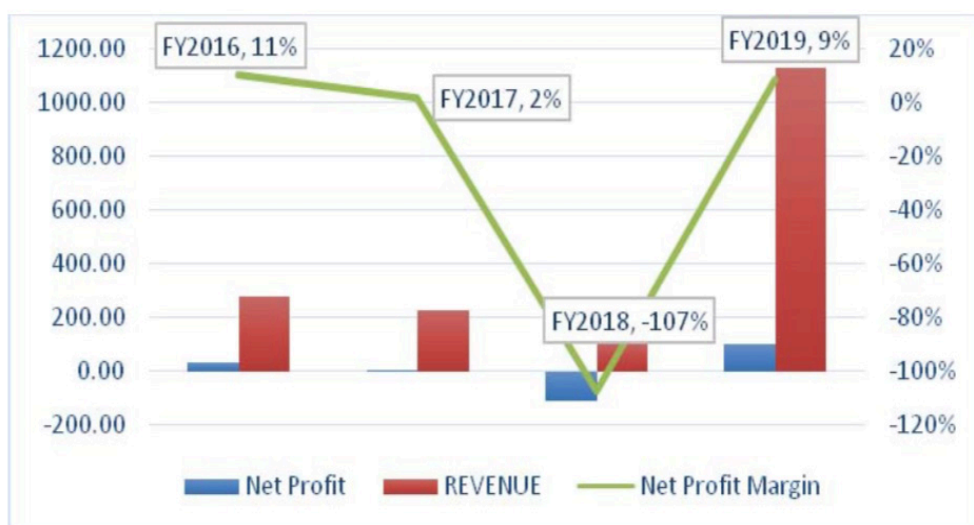


\*all Operating expenses has been considered for arriving at Operational Margins.

### Net Profit Margin (%)

The last couple of years, were very testing for the company. However, our company was able to pan out and could witness a year with all-round performance improvement.

In lakhs (INR)	FY2016	FY2017	FY2018	FY2019
Net Profit	29.94	4.80	-113.17	100.69
REVENUE	277.70	226.49	105.56	1130.05
Net Profit Margin	11%	2%	-107%	9%



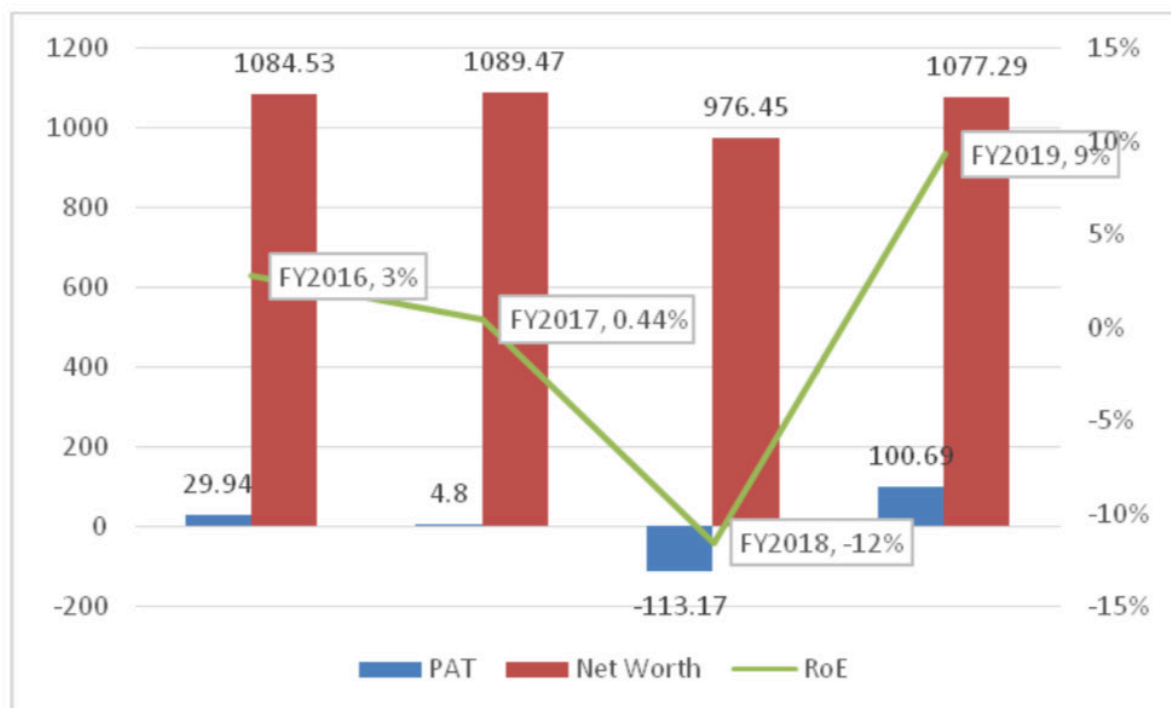
## RETURN ON NET WORTH

Our company witnessed a material and positive change in the Return on Equity, as FY2018 and FY2019 were two contrasting years.

The reasons for the change could be attributed to:

- Better Utilisation of Assets
- Better Profitability Margins on the revenue generated
- and on accounts of Increasing Financial Leverage.

However, the company aims to bring in stability in its Return on Equity over the coming years.



Date: 22/08/2019

Place: Surat

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-  
Sanjaykumar Govind Prasad Sarawagi  
Chairman  
DIN: 00005468

# Annexure III

## CORPORATE GOVERNANCE

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 has optimum combination of 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.

#### (a) Board Strength and representation:

As of March 31, 2019, the Board consisted of six members. The Composition and the category of Directors on the Board of the Company were as under:

Category	Name of Director
Executive Director	Mr. Sanjaykumar Govind Prasad Sarawagi Mr. Manojkumar G Sarawagi Mr. Rakeshkumar Govind Prasad Sarawagi
Non Executive Independent Director	Mrs. Ruchita Amit Mittal Mr. Maheshkumar Hariram Saboo (Resign w.e.f. 24/04/19) Mrs. Pratibha Pankaj Gulgulia

Mr. Maheshkumar Hariram Saboo has resigned from the Directorship in the company from 24/04/2019 as he was preoccupied in the other business activities and was not able to attend the affairs of the company. There is no other material reasons other than those provided.

(b) The Details of Directorship held by the Directors as on 31st March, 2019 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 2018-19	No. of Board meetings as attended by the Directors during the financial year 2018-19	Attendance at the Last AGM	No. of Committee positions held in the Company**	No. of Committee positions held in the Other Company	No. of Directors-hip held in other company
	PD/ NPD*	ED/ NED/ ID*							
Mr. Sanjaykumar Govindprasad Sarawagi	PD	ED	3,03,000	6	6	Yes	0	1	4



Mr. Manojkumar G Sarawagi	PD	ED	32,61,000	6	5	Yes	0	1	4
Mr. Rakeshkumar Govindprasad Sarawagi	PD	ED	3,03,700	6	5	Yes	1	1	6
Mrs. Pratibha Pankaj Gulgulia	NPD	NED/ID	NIL	6	6	Yes	2	0	0
Mrs. Ruchita Amit Mittal	NPD	NED/ID	NIL	6	6	Yes	3	0	0
Mr. Maheshkumar Hariram Saboo	NPD	NED/ID	NIL	6	6	Yes	3	0	2

\* 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' Shareholders / Investors' Grievance Committee and Nomination & Remuneration Committee in Public limited companies have been considered.

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

During the financial year 2018-19, Six (06) Meetings of the Board of Directors were held on the following dates:

07/04/2018      30/05/2018      28/06/2018      30/07/2018      06/11/2018      21/02/2019

#### (d) Disclosure of Relationships between Directors inter-se

No other Directors are related to each other except Mr. Sanjaykumar Govindprasad Sarawagi, Mr. Manojkumar G Sarawagi and Mr. Rakeshkumar Govindprasad Sarawagi, who are related to each other as brothers.

#### (e) Number of shares and convertible instruments held by non-executive Directors: NIL

#### (f) 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 <https://www.lpnaval.com/codes-and-policies>.

The terms and conditions of independent directors is available on the website of the company at <https://www.lpnaval.com/codes-and-policies>

#### Meeting of Independent Director

During the financial year 2018-19 one meeting of Independent Director was held on the following date:

21/02/2019

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

**(g) skills/expertise/competence of the Board of Directors of the Company**

The Board of Directors of the Company has the following skills/expertise and competencies in the context of the businesses in which it operates:

Sr. No.	Essential Core skills/expertise/competencies required for the Company	Core skills/expertise/competencies of the Board of Directors
1	Finance expertise	The Board has eminent business leaders with deep Knowledge of finance and business.
2	Personal Values	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.
3	Good Corporate Governance	Experience in developing and implementing good Corporate Governance practice, maintaining Board and Management accountability, managing stakeholder's interest and Company's responsibility towards customer's employees, supplier, regulatory Bodies and the community in which it operates.
4	Knowledge and Expertise	The Directors have profound knowledge of: <ul style="list-style-type: none"> <li>• Designing, production, marketing and business development</li> <li>• Fabrication</li> <li>• Knowledge of the Textile Sector and the related value chains</li> <li>• expertise in technical management i.e. Manufacturing Sites</li> <li>• Knowledge and experience in Marketing.</li> <li>• Future Planning</li> </ul>

**(h) Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**3. AUDIT COMMITTEE**

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

**Composition and attendance at Meetings:**

The Board of Directors ("the Board") of L. P. NAVAL AND ENGINEERING LIMITED ("the Company") reviewed and revised the charter of Audit Committee approved at the Board Meeting held on May 06, 2019 consists of two Independent Directors and one Executive Director of the Company. The Chairperson of the Audit Committee is Mrs. Ruchita Amit Mittal has attended all the meetings during the financial year under review.

**Composition of the Audit Committee and attendance at Meetings:**

The composition of Audit Committee has been as detailed under;

Name of Directors	Categories	Nature of Directorship
Mrs. Ruchita Amit Mittal	Chairperson	Independent Woman Director
Mr. MaheshKumar Hariram Saboo (resigned w.e.f 24/04/2019)	Member	Independent Director
Mr. Rakeshkumar Govindprasad Sarawagi	Member	Executive Director

Mr. Girish Umesh Srivastava (appointed w.e.f 06/05/2019)	Member	Independent Director
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During the financial year 2018-19, Four Meetings of Audit Committee were held on following dates:

30/05/2018      30/07/2018      06/11/2018      21/02/2019

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

Name of Directors	Categories	Nature of Directorship	No. of Meeting Attended
Mrs. Ruchita Amit Mittal	Chairperson	Independent Woman Director	4
Mr. MaheshKumar Hariram Saboo	Member	Independent Director	4
Mr. Rakeshkumar Govindprasad Sarawagi	Member	Executive Director	3

**The term of reference of Audit Committee is as below:**

The scope of audit committee shall include, but shall not be restricted to, the following;

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Scrutiny of inter-corporate loans and investments;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. 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
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the Half Yearly financial statements before submission to the board for approval;
7. 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;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. 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;
10. Discussion with internal auditors any significant findings and follow up there on;
11. 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;

12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. 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;
14. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. Valuation of undertakings or assets of the company, where ever it is necessary.
18. Evaluation of internal financial controls and risk management systems;
19. Monitoring the end use of funds raised through public offers and related matters.

#### 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 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 May 06, 2019. The detailed Nomination & Remuneration Policy is uploaded on the website of the Company. The web link is <https://www.lpnaval.com/codes-and-policies>.

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 <https://www.lpnaval.com/codes-and-policies>.

##### 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. Maheshkumar Hariram Saboo (resigned w.e.f 24/04/2019)	Chairman	Independent Director
Mr. Girish Umesh Srivastava (appointed w.e.f 06/05/2019)	Chairman	Independent Director
Mrs. Ruchita Amit Mittal	Member	Independent Woman Director
Mrs. Pratibha Pankaj Gulgulia	Member	Independent Woman Director

During the financial year 2018-19 two (2) meetings of the Nomination & Remuneration Committee were held on following dates:

07/04/2018      28/06/2018

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. Maheshkumar Hariram Saboo	Chairman	2
Mrs. Ruchita Amit Mittal	Member	2
Mrs. Pratibha Pankaj Gulgulia	Member	2

The term of reference of Nomination & Remuneration Committee is as below:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity.
7. To ensure the policy includes the following guiding principles:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
  - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## 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.

### REMUNERATION POLICY

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 which is available on the website of the Company <https://www.lpnaval.com/storage/app/media/8.%20Nomination%20and%20Remuneration.pdf>

Presently the company doesn't pay any sitting fees to its non executive director. The criteria for making payment to the non executive director is available on the website of the company <https://www.lpnaval.com/storage/app/media/13-tc-of-independent-director.pdf>

## 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 Board of Directors ('the Board') of L. P. NAVAL AND ENGINEERING LIMITED ("the Company") reviewed and revised the charter of Stakeholders, Shareholders/Investors Grievance Committee" approved at the Board Meeting held on May 06, 2019. 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. Maheshkumar Hariram Saboo (resigned w.e.f from 24/04/2019)	Chairman	Independent Director
Mr. Girish Umesh Srivastava (appointed w.e.f from 06/05/2019)	Chairman	Independent Director
Mrs. Ruchita Amit Mittal	Member	Independent Woman Director
Mrs. Pratibha Pankaj Gulgulia	Member	Independent Woman Director

During the financial year 2018-19, four (4) meetings of Stakeholders, Shareholders/ Investors Grievance Committee were held on following dates:

07/04/2018

30/07/2018

06/11/2018

21/02/2019

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. Maheshkumar Hariram Saboo	Chairman	4
Mrs. Ruchita Amit Mittal	Member	4
Mrs. Pratibha Pankaj Gulgulia	Member	4

#### Name & Designation and address of the Compliance Officer

Mr. Kaushik Haribhai Vegad

Company Secretary & Compliance Officer

#### 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, 2019

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
2015-16	Saturday, 27th 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, 14th 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
2017-18	Monday, 30th July, 2018 at 11.00 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
27th 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

14th 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
30th July, 2018	Adoption of Annual Accounts, Auditors report & Directors report	Ordinary	213000	4168000	0	0
	Reappointment of Mr. Sanjaykumar Sarawagi as Director, liable to retire by rotation	Ordinary	213000	0	0	0
	Reappointment of Auditor	Ordinary	213000	4168000	0	0
	Re-appointment of Mr. Maheshkumar Hariram Saboo as an Independent Director	Special	213000	4168000	0	0

**NAME AND ADDRESS OF SCRUTINIZER OR THE PERSON WHO CONDUCTED THE REMOTE VOTING AND BALLOT EXERCISE:**

**CS Ranjit Kejriwal**

Practicing Company Secretary,  
1, Aastha, 2/906, Hira Modi Sheri,  
Opp. Gujarat Samachar Press,  
Sagrampura, Ring Road,  
Surat – 395002, Gujarat.  
Email: rbksurat@gmail.com  
Ph: +91-261-2331123

**EXTRA- ORDINARY GENERAL MEETING:**

During the year the Extra - Ordinary General Meetings was held on 28th April, 2018.

**POSTAL BALLOT**

The Company has not passed resolutions through postal ballot during the year 2018-19. As per amended Companies Act, 2013, Company is not proposing Postal Ballot for 8th AGM and thus procedure for postal ballot is not applicable.

**8. MEANS OF COMMUNICATION**

**Financial Results:**

L. P. Naval And Engineering Limited is believes in to publish all the financial information to stakeholders within the stipulations provided under the law. During the year, Company has declared all financial results within the timeline provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Yearly/Half yearly financial results:**

The yearly/Half yearly financial results of the Company are normally published in website of the Company i.e. on <https://www.lpnaval.com>. During the year, following half yearly and yearly financial results have been submitted on BSE portal

Period of Financial Results	Date
Unaudited Financial Results for the half year ended September 30, 2018	06/11/2018
Audited Financial Results for the year ended March 31, 2019	27/05/2019

Being a SME listed Company, exemptions have been provided to the Company from publishing financial results in newspaper. Hence, Company has not published abovementioned half yearly and yearly financial results in any of the newspaper.

**News Release/ Presentation made to the Investors:**

All the Press Release and the presentation made to Institutional Investor/ Analysts are uploaded on the official website of the company [www.lpnaval.com](http://www.lpnaval.com)

**Website:**

Company's official website [www.lpnaval.com](http://www.lpnaval.com) contains separate tab "Investor Relationship" for investors, in which notices

of the Board Meetings, Annual Reports, Investor Presentations, Shareholding Pattern and other announcements made to stock exchange are displayed in due course for the shareholders information.

#### Email IDs for investors:

The Company has formulated separate email id cs@lpnaval.com for investor service, investor can also contact share Registrar and Transfer Agent (RTA) of the Company on their email id info@bigshareonline.com and the same is available on website of the Company www.lpnaval.com

#### SEBI SCORES:

For investor compliant redressal SEBI has developed SCORES platform in which investor can lodged any complaint against the Company for any grievance. The Company also uploads the action taken report in the SCORES platform for redressal of investor complaint.

## 9. GENERAL SHAREHOLDER INFORMATION

<b>(a) Annual General Meeting:</b>	8th Annual General Meeting
<b>Day, Date, Time &amp; Venue:</b>	Tuesday 24, September, 2019 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>(b) Financial Year/Calendar:</b>	The Financial Year of the company is from April 1 to March 31 of the following year.
<b>(c) Date of Book Closures:</b>	18/09/2019 to 24/09/2019 (both days inclusive)
<b>(d) Listed on Stock Exchanges:</b>	SME Platform of BSE Limited, P.J. Towers, Dalal Street, Mumbai. 400001 Annual listing fees for the financial year 2018-19 were paid to BSE Limited timely.
<b>(e) Scrip Code/ ID:</b>	537669/LPNAVAL
<b>(f) ISIN:</b>	INE920P01019
<b>(g) No. of paid up shares:</b>	57,52,000
<b>(h) Market Price Data:</b>	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 2018-19:

Month	High Price (in Rs.)	Low Price (in Rs.)
Apr-18	67.00	55.00
May-18	73.90	69.80
Jun-18	59.15	59.15
Jul-18	70.00	55.90
Aug-18	58.00	45.00
Sep-18	53.00	39.85
Oct-18	--	--
Nov-18	50.00	50.00
Dec-18	--	--
Jan-19	--	--
Feb-19	--	--
Mar-19	51.10	50.85

#### (i) 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.2018-19 on month to month closing figures:

Month	BSE Sensex	Change in %	BSE SME IPO	Change in %	LPNAVAL (Closing Price at BSE)	Change in %
April 2018	35,160.36	6.65	1,968.23	6.15	59.90	2.13
May 2018	35,322.38	0.46	1,912.99	-2.81	73.90	23.37
June 2018	35,423.48	0.29	1,758.39	-8.08	59.15	-19.96
July 2018	37,606.58	6.16	1,789.72	1.78	55.90	-5.49



August 2018	38,645.07	2.76	1,857.16	3.77	49.80	-10.91
September 2018	36,227.14	-6.26	1,738.81	-6.37	44.00	-11.65
October 2018	34,442.05	-4.93	1,689.51	-2.84	--	--
November 2018	36,194.30	5.09	1,742.05	3.11	50.00	--
December 2018	36,068.33	-0.35	1,789.57	2.73	--	--
January 2019	36,256.69	0.52	1,768.60	-1.17	--	--
February 2019	35,867.44	-1.07	1,756.05	-0.71	--	--
March 2019	38,672.91	7.82	1,757.83	0.10	50.85	--

**(j) 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

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

**(l) Distribution of Shareholding (In Shares) as on 31st March, 2019:**

Share Holding of Nominal	Number of Shareholders	Percentage of Total	Shares	Percentage of Total
1 – 500	3	3.41	300	0.01
2001 – 3000	14	15.91	42000	0.73
5001 – 10000	43	48.86	267000	4.64
10001 – 5752000	28	31.82	5442700	94.62
Total	88	100.00	5752000	100.00

Category	Total Shareholders	No of Shares held	Shareholding %
Promoter & Promoter Group	7	4168000	72.46
Corporate Bodies	9	510000	8.87
Public	72	1074000	18.67
Total	88	5752000	100.00

**Dematerialization of Shares and Liquidity:**

As on 31st March, 2019, 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.

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

**(n) Details Of Dividend**

The Company has not declared dividend in the past to equity shareholders.

**(o) Details Of Unpaid Dividend There is no unpaid dividend amount outstanding during the year.**

There is no unpaid dividend amount outstanding during the year.

**(p) Plant Locations: Not Applicable**

**(q) Address for Correspondence:**

**(a) 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  
 Email: cs@lpnaval.com  
 Website: www.lpnaval.com

**(b) 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

**(r) Credit Ratings:** No credit rating has been obtained in the last financial year

**10. OTHER 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 <https://www.lpnaval.com/codes-and-policies>.

**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.

**Code Of Conduct For Prevention Of Insider Trading**

The Company has adopted the Code of Conduct for regulating, monitoring and reporting of Trading by Insiders in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013. The Code of internal procedures and conduct for Regulating, monitoring and Reporting of Trading by Insiders is available on <https://www.lpnaval.com/codes-and-policies>

**Material Subsidiary**

The Company does not have any material subsidiary.

**Certificate for Dis-Qualification of Director**

Mr. Ranjit Kejriwal, Practicing Company Secretary, Surat has provided certificate under Regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.. A copy of certificate received from him is mention in **Annexure-XII**.

**Details of fees paid by the company to the statutory auditor and to all entities in the network firm / network entity of which the statutory auditor is a part are as under:**

Type of service	F.Y. 2018-19	F.Y. 2017-18
Audit Fee	Rs. 50000	Rs. 50000

Total	Rs. 50000	Rs. 50000
-------	-----------	-----------

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Status of Complaints received, resolved and pending as on 31st March, 2019:

number of complaints filed during the financial year	Nil
number of complaints disposed of during the financial year	Nil
number of complaints pending as on end of the financial year	Nil

**Update E-Mails For Receiving Notice/Documents In E-Mode:**

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible citizen, your company fully supports the MCA's endeavor.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders may register their email addresses with their Depository through Depository Participant.

**Update Your Correspondence Address/ Bank Mandate/Pan/ Email Id:**

Shareholder(s) holding shares in dematerialized form are requested to notify changes in Bank details/ address/ email ID directly with their respective DPs.

**Quote Folio No. / Dp Id No.:**

Shareholders/ Beneficial owners are requested to quote their DP ID no. in all the correspondence with the Company.

Shareholders are also requested to quote their Email ID and contact number for prompt reply to their correspondence.

## 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.

**Reporting of Internal Auditor**

The Company has appointed M/s V. M. Patel & Associates as the Internal Auditor of the Company for five years from F.Y. 2019-20 to 2023-24. The Internal Auditor reports to the Audit Committee periodically with Internal Audit Report prepared on monthly basis.

**For L. P. NAVAL AND ENGINEERING LIMITED**

**Date: 22/08/2019**

**Place: Surat**

**Sd/-  
Sanjaykumar Govind Prasad 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 5of 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 2018-19, ratio of the remuneration of the employees of the Company for the financial year 2018-19 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. 2018-19 (in rupees)	% increase in Remuneration in the F.Y. 2018-19	Ratio of Remuneration of each Director/ to median remuneration of employees
1.	Sanjaykumar Govindprasad Sarawagi* Executive Director & Chairman	Nil	--	--
2.	Manojkumar G Sarawagi * Executive Director	Nil	--	--
3.	Rakeshkumar Govindprasad Sarawagi* Executive Director	Nil	--	--
4.	Maheshkumar Hariram Saboo * Non- Executive Director	Nil	--	--
5.	Ruchita Amit Mittal* Non- Executive Director	Nil	--	--
6.	Pratibha Pankaj Gulgulia* Non- Executive Director	Nil	--	--
7.	Kaushik Haribhai Vegad ** Company Secretary	4,02,501	Not Applicable	
8.	Mustafa M Hazi Chief Financial Officer	4,90,000	-2.20%	
9.	Amit Khandelwal Manager	10,50,000	8.14%	

(ii) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2018-19:

Sr.	Name	Designation	Remuneration Received during 2018-19	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 31.03.19	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	1050000	Permanent	B. Sc., MBA, Experience 17 Years	24/07/2015	42	Tapti Valley School	--	--	--
2.	Amar-kumar J Trivedi	Technical Manager	860571	Permanent	Diploma Mechanical Engineer, Experience 13 Years	05/02/2013	38	Inland Marine Works Pvt.Ltd. Bhavnagar	--	--	--
3.	Kalpesh Gajjar	Production Manager	831738	Permanent	Diploma In Mechanical, Experience 20 Years	18/01/2018	40	ABC Shipyard Limited	--	--	--
4.	Mustufa M Haji	CFO	490000	Permanent	B.Com, Experience 19 Years	30/09/2014	41	Siddhi Vinayak Knots & Prints Pvt. Ltd.	--	--	--
5.	Amarjeet Pal	Site-Incharge	619169	Permanent	Undergraduate, Experience 11 Years	27/04/2012	30	Vally System Pvt.Ltd. L&T Hazira Surat	--	--	--
6.	Niraj Sharma	Site-Incharge	542360	Permanent	B.E. Experience 19 Years	08/09/2018	47	Fabtech	--	--	--
7.	Ajay Chhajer	Site Manager	420000	Permanent	B.Com, 21 Years Experience	30/07/2015	40	Dhanurdhar Processors Pvt. Ltd. Kadodara Zolwa	--	--	--
8.	Kaushik Vegad	CS	402501	Permanent	B.Com., CS 2 Years Experience	07/04/2019	29	Sagar Diamonds Ltd.	--	--	--
9.	Rajubhai Muljibhai Patel	Engineer	342475	Permanent	Diploma civil, 10 years Experience	06/08/2018	32	WPL L&T	--	--	--
10.	Kaushik-kumar Dalsukhbhai Patel	Engineer	397758	Permanent	Diploma In Mechanical, Experience 8 Years	09/03/2017	29	Sameep Construction Pvt. Ltd. Hazira L&T	--	--	--

\* No Directors receive any remuneration or sitting fees.

(iii) The median remuneration of employees of the Company during the Financial Year was Rs. 15,025/- p.m.

(iv) In the Financial year, there was decrease of 0.4966% in the median remuneration of employees;

(v) There were 532 permanent employees on the rolls of the Company as on March 31, 2019;

(vi) Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 13.93%. There is average increase of 14.35% in the remuneration of Key Managerial personnel in comparison to the last financial year.

(vii) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.

(viii) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

\*\* Kaushik Haribhai Vegad was appointed w.e.f. 07/04/2018.

**For L. P. NAVAL AND ENGINEERING LIMITED**

**Date: 22/08/2019**

**Place: Surat**

**Sd/-**

**Sanjaykumar Govind Prasad Sarawagi**

**Chairman**

**DIN: 00005468**

# Annexure V

## 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

Date: 22/08/2019

Place: Surat

Sd/-  
Sanjaykumar Govind Prasad Sarawagi  
Chairman  
DIN: 00005468

# Annexure VI

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2019

*[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, 2019 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, 2019 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; **the regulation is not applicable during the Financial Year 2018-19**
- 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, 2015
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective 11th November, 2018); **the regulation is not applicable during the Financial Year 2018-19**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **the regulation is not applicable during the Financial Year 2018-19**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **the regulation is not applicable during the Financial Year 2018-19**
  - 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)(Amendment) Regulations, 2016; **the regulation is not applicable during the Financial Year 2018-19** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September,



2018, Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (effective 11th September, 2018; **the regulation is not applicable during the Financial Year 2018-19**

vi. Other Laws Specifically Applicable to Company:

- a. Income Tax Act, 1961
- b. Goods and Service Tax Act, 2017
- c. Labour Laws

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. 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 following:**

- **Form AOC-4 XBRL for the year ended 31.03.2018 filed after due date of filing.**
- **Condonation of Delay was filed for the Form MGT-14 (Approval of Directors report for year ended 31st March, 2017)**
- **The company has also filed rectified unaudited financial statement for the half year ended as on 30.09.2018 beyond the time period prescribed under SEBI (LODR), 2015.**
- **One of the Director Mr. Maheshkumar Hariram Saboo was disqualified u/s 164(2) of the Companies Act, 2013 to be appointed as director and has subsequently resigned on 24th April, 2019.**

**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.

Place: SURAT  
Date: 22/08/2019

Signature: Sd/-  
Name of PCS: Ranjit B. Kejriwal  
FCS No.: 6116  
C P No.: 5985

**This report is to be read with our letter dated 22nd August, 2019 which is annexed and forms an integral part of this report.**

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.

Our Secretarial Audit report dated 22nd August, 2019 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: SURAT**  
**Date: 22/08/2019**

**Signature: Sd/-**  
**Name of PCS: Ranjit B. Kejriwal**  
**FCS No.: 6116**  
**C P No.: 5985**

# Annexure VII

## 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-394221

Email: cs@lpnaval.com, Ph: 0261-2894415, Web: www.lpnaval.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

SN	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

SN	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	Kaushik Haribhai Vegad (CS)	Salary	Yearly	4,02,501	07/04/2018	--
2	Mustafa Moiz Hazi (CFO)	Salary	Yearly	4,90,000	30/09/2014	--
3	Amit Khandelwal (Manager)	Salary	Yearly	10,50,000	24/07/2015	--

For L. P. NAVAL AND ENGINEERING LIMITED

Date: 22/08/2019

Place: Surat

Sd/-  
Sanjaykumar Govind Prasad Sarawagi  
Chairman  
DIN: 00005468

# Annexure VIII

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

(See Rule 8 of Companies(Accounts) Rules, 2014)			
<b>A)</b>	<b>Conservation of Energy</b>		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>B)</b>	<b>Technology absorption</b>		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.		
<b>C)</b>	<b>Foreign Exchange</b>		
	<b>Details of Earning in Foreign Exchange</b>		
		Current Year	Previous Year
	Export of goods calculated on FOB basis		
	Interest and dividend		
	Royalty		
	Know- how		
	Professional & consultation fees		
	Other income		
	<b>Total Earning in Foreign Exchange</b>	NIL	NIL
	<b>Details of Expenditure in Foreign Exchange</b>		
	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		
	Dividend paid		
	<b>Total Expenditure in foreign exchange</b>	NIL	NIL

For L. P. NAVAL AND ENGINEERING LIMITED

Date: 22/08/2019  
Place: Surat

Sd/-  
Sanjaykumar Govind Prasad Sarawagi  
Chairman  
DIN: 00005468

# Annexure IX

## 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 31st March 2019 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 of our knowledge and 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.

**By order of Board of Directors**

**Date: 27th May, 2019**

**Place: Surat**

**Sd/-**

**Mustafa Moiz Haji  
Chief Financial Officer**

# Annexure-X

## **R Kejriwal & Co.**

Chartered Accountants

2, Aastha, 2/906, Hira Modi Sheri, Ring Road, Surat -395002

Email: [auditrkejriwal@gmail.com](mailto:auditrkejriwal@gmail.com) Ph: 0261-2355984

C.No.L/02/2019-20

### **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, CIN: L35111GJ2012PLC068922); for the year ended 31st March 2019 as stipulated in Regulation 27(2) of SEBI (Listing Obligations 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 Obligations 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**

Sd/-

**Vishal Joshi**

**Partner**

**M. No. 427019**

**FRN No. 133558W**

**UDIN: 19427019AAAADW7625**

**Place:** Surat

**Date:** 22.08.2019

# Annexure-XI

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## DECLARATION BY DIRECTOR THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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, 2019 as applicable to them as laid down in Companies Act, 2013 with the code of conduct of Board members and senior management personnel.

For L. P. Naval and Engineering Limited

Date: 22/08/2019  
Place: Surat

Sd/-  
Sanjaykumar Govind Prasad Sarawagi  
Chairman  
(DIN: 00005468)

# Annexure-XII

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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 have examined the relevant registers, records, forms, returns and disclosures received from the Directors of L. P. Naval and Engineering Limited (Formerly Known as Siddhi Vinayak Shipping Corporation Limited) having CIN: L35111GJ2012PLC068922 and having registered office 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 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority **except Mr. Maheshkumar Hariram Saboo (DIN:01616969) who has been debarred/ disqualified by ROC u/s 164(2).**

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MANOJKUMAR G SARAWAGI	00005447	07/02/2012
2	SANJAYKUMAR GOVINDPRASAD SARAWAGI	00005468	07/02/2012
3	RAKESHKUMAR GOVINDPRASAD SARAWAGI	00005665	07/02/2012
4	RUCHITA AMIT MITTAL	06870740	29/09/2014
5	PRATIBHA PANKAJ GULGULIA	07121815	24/07/2015
6	MAHESHKUMAR HARIRAM SABOO	01616969	21/12/2013

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: SURAT  
Date: 22/08/2019

Signature:  
Name of PCS: Ranjit B. Kejriwal  
FCS No.: 6116  
C P No.: 5985



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## 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 Audit of Standalone Financial Statements:

#### Opinion:

We have audited the accompanying standalone 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 on 31st March 2019, the Statement of Profit and Loss and Cash Flow statement for the year then ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the company as at 31st March 2019 and its profit (or Loss) and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- Uncertainty in Loan Recovery

The Company had given interest free advances to manager of company who has not refund the amount.  
Refer: Point 3(b) of Caro Report

- Auditor's Response

We check that company has initiated legal proceeding against the manager for recovery of the loan amount and we also disclose the same in the CARO Report.

- Accuracy of revenues and onerous obligation in respect of fixed price contracts involves critical estimate.

The company use the percentage of completion method in accounting for its contracts. Use of the percentage of completion method requires the company to estimate the efforts or cost expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been use to measure progress towards completion as there is direct relationship between input and productivity  
The Company derives revenues from business fabrications and related services. Revenue is recognized upon the work certified by company's engineers.

- Auditor's Response

Our audit approach was a combination of test of internal controls and substantive procedure which include the

completion as there is direct relationship between input and productivity.

- Evaluate the design of internal controls relating to recording of efforts incurred and estimations of efforts required to complete the performance obligation.
- Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred.
- Select a sample of contract and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.
- Performed analytical procedure and test of details for reasonableness of incurred and estimated efforts.

#### **Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, We exercises professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economics decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the result of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements:**

1. 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.

2. 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 as far as appears from our examination of those books.

2.3 The Balance Sheet, Profit and Loss statement and Cash Flow 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, 2019, taken on record by the Board of directors, none of the directors are disqualified as on March 31, 2019 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 Accountants.  
Firm Reg. No. 133558W**

**Place: Surat**

**Date: 27.05.2019**

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

### Annexure to Auditors' Report

(Referred to in 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, 2019)

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.	Lease deed for land will be executed on completion of construction & subject to compliance of prescribed conditions.

#### 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.
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#### 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	<b>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/-</b>
(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 guarantees

	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.
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#### 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
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#### 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
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7	<b>Statutory dues</b>	
(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.	According to the information and explanations given 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, 2019 for a period of more than six months from the date they became payable.
(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).	NA
	<b>Particulars</b>	<b>F.Y.</b>
		<b>AMOUNT (In Rs.)</b>
		<b>STATUS</b>
8	<b>Default in Repayment</b>	
	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	<b>Term Loan/ Money raised</b>	
	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;	NA
10	<b>Fraud</b>	
	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	<b>Managerial Remuneration</b>	
	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	<b>Nidhi Company</b>	
	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	<b>Related Parties Transactions</b>	
	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	<b>Preferential allotment / Private placement</b>	
	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	<b>Non-cash Transactions</b>	
	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	<b>Registration with RBI</b>	
	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 : 27/05/2019  
Place : Surat

## 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 2019 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 2019, 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 Accountants.  
Firm Reg. No. 133558W**

**Place: Surat**

**Date: 27/05/2019**

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



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

Office Block First Floor Pl. No.237/2 &amp; 3 Sub Pl.No .A-25, Central park, GIDC, Pandesara, Surat 394221

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

**BALANCE SHEET AS AT 31.03.2019**

		(Amount in Rs.)	(Amount in Rs.)
	Note No.	As at 31.03.2019	As at 31.03.2018
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>I Shareholders' Funds</b>			
Share Capital	2	5,75,20,000	5,75,20,000
Reserve and Surplus	3	5,02,08,583	4,01,39,681
<b>III Non-Current Liabilities</b>			
Long term Borrowings	4	11,85,26,782	7,49,48,375
Deferred Tax Liabilities(Net)		14,56,131	10,32,275
Other Long term Liabilities		-	-
Long term provisions	5	20,32,922	8,07,894
<b>IV Current Liabilities</b>			
Short term Borrowings	6	(16,04,957)	(1,52,510)
Trade payables :-	7		
a. Total outstanding dues of micro enterprises and small enterprises		9,17,171	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		1,03,71,713	39,98,086
Other Current Liabilities	8	52,20,157	10,05,403
Short Term Provisions	9	19,41,986	12,405
<b>TOTAL</b>		<b>24,65,90,488</b>	<b>17,93,11,610</b>
<b><u>ASSETS</u></b>			
<b>I Non-Current Assets</b>			
Property, Plant and Equipment			
- Tangible Assets	10	15,35,25,733	13,82,44,202
- Intangible assets		-	-
- Capital WIP	10	1,58,91,530	1,58,91,530
- Intangible Assets under development		-	-
Non current Investments		-	-
Deferred tax assets (net)		-	-
Long term Loans and Advances	11	3,05,585	1,56,585
Other Non-Current Assets	12	-	14,684
<b>II Current Assets</b>			
Current Investments		-	-
Inventories	13	75,81,887	63,76,902
Trade receivables	14	5,89,02,120	95,27,193
Cash and bank balances	15	55,18,268	35,28,855
Short term Loans and advances	16	48,65,366	55,71,660
Other current assets		-	-
<b>TOTAL</b>		<b>24,65,90,488</b>	<b>17,93,11,610</b>

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

As per our report of even date

For R. Kejriwal &amp; Co.

Chartered Accountants

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-

Vishal Joshi

Partner

M.No. 427019

FRN.133558W

Date : 27/05/2019

Place : Surat

Sd/-

Sanjay Sarawagi

Director

DIN: 00005468

Sd/-

Company Secretary

Sd/-

Rakesh Sarawagi

Director

DIN:00005665

Sd/-

C.F.O.



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

Office Block First Floor Pl. No.237/2 &amp; 3 Sub Pl.No .A-25, Central park, GIDC, Pandesara, Surat 394221

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

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2019**

		(Amount in Rs.)	(Amount in Rs.)
	Note No.	As at 31.03.2019	As at 31.03.2018
<b>Income</b>			
<b>I</b> Revenue From Operations (Net)		11,29,77,558	1,05,28,710
<b>II</b> Other income	17	27,887	27,502
<b>III TOTAL REVENUE</b>		<b>11,30,05,445</b>	<b>1,05,56,212</b>
<b>IV Expenses</b>			
Cost of Material Consumed	18	1,49,21,560	40,10,492
Purchase of stock -in-trade		-	-
Changes in inventory of finished goods, work-in-progress	19	(12,04,985)	(25,99,050)
Employee benefit expense	20	7,20,96,945	1,45,44,523
Finance costs	21	44,66,048	18,71,566
Depreciation & Amortization Exp.	10	31,36,804	15,21,936
Other expenses	22	72,15,441	16,45,279
<b>V TOTAL EXPENSES</b>		<b>10,06,31,813</b>	<b>2,09,94,747</b>
<b>VI</b> Profit before Exceptional & Extraordinary items & tax		1,23,73,632	(1,04,38,534)
Add/(less) exceptional items		-	(8,07,894)
<b>VII</b> Profit before extraordinary items and tax		1,23,73,632	(1,12,46,428)
Add/(less) Extraordinary items		-	-
<b>VIII</b> Profit Before Tax		1,23,73,632	(1,12,46,428)
Tax expense			
Current Tax		18,80,874	-
Wealth Tax		-	-
Deferred Tax		4,23,856	69,583
Less: MAT credit entitlement		-	-
Income tax of earlier years		-	590
<b>IX Profit /(Loss) from Continuing Operations</b>		1,00,68,902	(1,13,16,602)
<b>X</b> Profit /(Loss) from Discontinuing Operations		-	-
Less: Tax Expenses of Discontinuing Operations		-	-
<b>XI Profit /(Loss) from Discontinuing Operations after Tax</b>		-	-
<b>XII Profit / (Loss) for the year</b>		1,00,68,902	(1,13,16,602)
<b>XIII Earning per Equity Share</b>			
Basic		1.75	(1.97)
Diluted		1.75	(1.97)

**See accompanying notes to the financial statement**

As per our report of even date

For R. Kejriwal &amp; Co.

Chartered Accountants

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-

Vishal Joshi

Partner

M.No. 427019

FRN.133558W

Date : 27/05/2019

Place : SURAT

Sd/-

Sanjay Sarawagi

Director

DIN: 00005468

Sd/-

Company Secretary

Sd/-

Rakesh Sarawagi

Director

DIN:00005665

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.lpnaval.com ; Email:admin@lpnaval.com

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019**

(Amount in Rs)

	01.04.2018 - 31.03.2019	01.04.2017 - 31.03.2018
<b>A Cash flow from operating activities:</b>		
<b>Net Profit before tax as per Profit And Loss A/c</b>	<b>1,23,73,632</b>	<b>(1,12,46,428)</b>
Adjusted for:		
Depreciation	31,22,120	15,07,252
Interest & Finance Cost	44,66,048	18,71,566
<b>Operating Profit Before Working Capital Changes</b>	<b>1,99,61,800</b>	<b>(78,67,611)</b>
Adjusted for:		
Inventories	(12,04,985)	(25,99,050)
Trade Receivables	(4,93,74,927)	21,06,676
Loans and advances and other assets	7,06,294	(30,64,575)
Liabilities & Provisions	1,46,60,160	18,97,298
<b>Cash Generated From Operations</b>	<b>(1,52,51,658)</b>	<b>(95,27,261)</b>
Direct Tax Paid	18,80,874	590
<b>Net Cash Flow from/(used in) Operating Activities:</b>	<b>(1,71,32,532)</b>	<b>(95,27,851)</b>
<b>B Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(1,84,03,651)	(1,82,78,500)
Sale of Fixed Assets	-	-
Proceeds from other investment	(1,34,316)	(26,316)
<b>Net Cash flow from /(Used in) Investing Activities:</b>	<b>(1,85,37,967)</b>	<b>(1,83,04,816)</b>
<b>C Cash Flow from Financing Activities:</b>		
Proceeds From Share Capital & Share Premium	-	-
Proceeds From Share Application Money	-	-
Proceeds from Long Term Borrowing (Net)	4,35,78,407	7,43,65,017
Proceeds from Short-term borrowings	(14,52,447)	(4,18,36,726)
Interest & Financial Charges	(44,66,048)	(18,71,566)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>3,76,59,912</b>	<b>3,06,56,725</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>19,89,413</b>	<b>28,24,059</b>
Cash & Cash Equivalents As At Beginning of the Year	35,28,855	7,04,796
Cash & Cash Equivalents As At End of the Year	<b>55,18,268</b>	<b>35,28,855</b>

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

Sd/-  
Vishal Joshi  
Partner  
M.No. 427019  
FRN.133558W  
Date : 27/05/2019  
Place : Surat

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-  
Sanjay Sarawagi  
Director  
DIN: 00005468

Sd/-  
Company Secretary

Sd/-  
Rakesh Sarawagi  
Director  
DIN:00005665

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.lpnaval.com ; Email:admin@lpnaval.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 prefit and Loss accounts of the company. The Effect of Indirect Taxes on Sales will be as under:

	Amount In Rs
Gross Sales	13,33,13,527
Less: GST	2,03,35,960
Net Sales	11,29,77,567

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

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

**NOTES FORMING PART OF FINANCIAL STATEMENT**

PARTICULARS	(Amount in Rs.) As at 31.03.2019	(Amount in Rs.) As at 31.03.2018
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**NOTE- 2**

**SHARE CAPITAL**

**AUTHORIZED CAPITAL**

60,00,000 Equity shares of Rs.10 each

6,00,00,000	6,00,00,000
6,00,00,000	6,00,00,000

**ISSUED CAPITAL**

57,52,000 Equity Shares of Rs.10/- each

5,75,20,000	5,75,20,000
5,75,20,000	5,75,20,000

**SUBSCRIBED AND FULLY PAID UP CAPITAL**

57,52,000 Equity Shares of Rs.10/each fully paid up

5,75,20,000	5,75,20,000
5,75,20,000	5,75,20,000

**SUBSCRIBED BUT NOT FULLY PAID UP CAPITAL**

-	-
-	-

**RECONCILIATION OF SHARES**

	As at 31.03.2019		As at 31.03.2018	
	Equity Shares		Equity Shares	
<u>Shares outstanding</u>	Number	In Rs	Number	In Rs
Shares outstanding at beginning of the year	57,52,000	5,75,20,000	57,52,000	5,75,20,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
shares outstanding at end of the year	57,52,000	5,75,20,000	57,52,000	5,75,20,000

**Shareholder(s) holding more than 5% shares**

	As at 31.03.2019		As at 31.03.2018	
	No. of shares held	% of holding	No. of shares held	% of holding
<u>Equity shares of Rs.10 each</u>				
Rakesh Sarawagi	303700	5.28%	3,03,700	5.28%
Sanjay Sarawagi	303000	5.27%	3,03,000	5.27%
Manoj Sarawagi	3261000	56.69%	32,61,000	56.69%
Govind Prasad Sarawagi	300000	5.22%	3,00,000	5.22%

**Shares allotted for consideration other than cash(for period of five years preceding the B/S date)**

NIL

**Unpaid calls**

By Directors  
By Officers

As at 31.03.2019

Nil  
Nil

As at 31.03.2018

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.



**NOTE 3****RESERVE & SURPLUS****Securities Premium Account**

	As at 31.03.2019	As at 31.03.2018
Opening balance	4,11,30,000	4,11,30,000
Add: Credited during the year		
Less: Utilized during the year		
Closing Balance (A)	4,11,30,000	4,11,30,000

**Surplus**

Opening balance	(9,90,319)	1,03,26,283
(+)Net Profit/Net Loss	1,00,68,902	(1,13,16,602)
(+)Transfer from reserves	-	-
(-)Issue of bonus shares	-	-
(-)Proposed dividends	-	-
(-)Transfer to reserves	-	-
Closing Balance (B)	90,78,583	(9,90,319)
<b>Total Reserves &amp; Surplus (A+B)</b>	<b>5,02,08,583</b>	<b>4,01,39,681</b>

**NOTE 4****LONG TERM BORROWINGS****Loans & Advances from related party & others:**

Unsecured Loan	11,85,26,782	7,49,48,375
	<b>11,85,26,782</b>	<b>7,49,48,375</b>
<b>Additional disclosure</b>		
Promoter Director	5,86,34,000	3,18,29,000
Other officers of the company	-	-
Firm in which director is a partner	-	-
Pvt company in which director is a member	-	-
	<b>5,86,34,000</b>	<b>3,18,29,000</b>

**NOTE 5****LONG TERM PROVISIONS**

Provision for Gratuity	20,32,922	8,07,894
	<b>20,32,922</b>	<b>8,07,894</b>

**NOTE 6****SHORT TERM BORROWINGS****Loans repayable on demand:**

From banks:		
Secured:		
Union Bank of India (C.C.)	(16,04,957)	(1,52,510)
(Secured by hypothecation of Stock and book Debts. There is personal guarantee of all the directors & sanction Limit is Rs 30.00 Lakhs)		
	<b>(16,04,957)</b>	<b>(1,52,510)</b>

**NOTE 7****TRADE PAYABLES**

Creditors for Goods	28,11,874	26,50,055
Creditors for Expenses	9,41,431	9,10,818
Creditors for Salary	73,87,863	3,57,984
Creditors for Assets	1,47,716	79,230
	<b>1,12,88,884</b>	<b>39,98,086</b>

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

UBI Term Loan	-	5,83,370
<b>For Employee Benefits:</b>		
E.S.I.C. Payable	2,88,998	30,980
Professional Tax Payable (Employee)	1,11,170	6,870
Provident Fund Payable	3,50,042	27,542
<b>For Taxes &amp; Duties:</b>		
TDS Payable	1,87,693	2,20,015
GST(RCM) Payable	-	1,626
CGST Output	20,64,987	-
SGST Output	20,82,267	-
<b>For Other Expenses:</b>		
Audit fees payable	1,35,000	1,35,000
	<b>52,20,157</b>	<b>10,05,403</b>

**NOTE 9****SHORT TERM PROVISIONS**

Provision for Tax	18,80,874	-
Provision for Gratuity	61,112	12,405
	<b>19,41,986</b>	<b>12,405</b>

**NOTE 11****LONG TERM LOANS AND ADVANCES****Security Deposits:****Deposit with Government Authorities:**

Sales Tax Deposit	45,000	45,000
Labour License Deposit	2,10,825	62,325

**Other Deposits:**

Flat Deposit	40,000	40,000
Water Deposit	1,000	1,000
Telephone Deposit	500	-
Gas Bottle Deposit	8,260	8,260
	<b>3,05,585</b>	<b>1,56,585</b>

**NOTE 12****OTHER NON CURRENT ASSETS**

Preliminary Expenses	14,684	29,368
Less: Written off	14,684	14,684
	<b>-</b>	<b>14,684</b>

**NOTE 13****INVENTORIES**

Stores & Spares	33,84,187	31,96,902
Work in Progress	41,97,700	31,80,000
	<b>75,81,887</b>	<b>63,76,902</b>

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

Secured, Considered good	-	-
Unsecured, Considered good	41,64,199	43,96,159
<b>Unsecured, Considered- Doubtful</b>	<b>17,73,408</b>	<b>17,73,408</b>

**Debt outstanding for less than Six Months**

Secured, Considered good	-	-
Unsecured, Considered good	5,29,64,513	33,57,626
Unsecured, Considered- Doubtful	-	-
	<b>5,89,02,120</b>	<b>95,27,193</b>

**NOTE 15****CASH AND CASH EQUIVALENTS**

Cash in Hand	3,00,486	8,00,183
Balances With Scheduled Bank	52,17,782	27,28,672
	<b>55,18,268</b>	<b>35,28,855</b>

**NOTE 16****SHORT TERM LOANS AND ADVANCES****Others:****Others, considered good:**

Fixed Deposit(Lien marked for Bank Guarantee)	4,33,735	4,08,637
Container Deposit	-	25,000
Prepaid Expenses(Insurance)	96,151	24,416
CGST Input	-	15,27,663
SGST Input	-	15,27,663
TDS Receivables	27,42,656	4,65,457
Income tax refund( AY 17-18)	7,91,318	7,91,318

**Others, considered doubtful:**

Rakesh Kumar Singh	8,01,506	8,01,506
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(Rakesh Kumar Singh was manager of the Company.

Company has initiated legal proceedings for recovery of the amount.)

<b>48,65,366</b>	<b>55,71,660</b>
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**NOTE 17****OTHER INCOME****Interest Income:**

Interest On Fixed Deposit

27,887	27,502
<b>27,887</b>	<b>27,502</b>

**NOTE 18****COST OF MATERIAL CONSUMED**

Consumable Store

1,46,70,270

39,88,242

Freight

75,990

22,250

Maintenance &amp; repairing service

1,75,300

-

<b>1,49,21,560</b>	<b>40,10,492</b>
--------------------	------------------

**NOTE 19****(INCREASE)/ DECREASE IN INVENTORY**

Closing Stock of Goods

33,84,187

31,96,902

Less: Opening Stock of Goods

31,96,902

5,77,852

<b>(1,87,285)</b>	<b>(26,19,050)</b>
-------------------	--------------------

Work In Progress

41,97,700

31,80,000

Less: Opening WIP

31,80,000

32,00,000

<b>(10,17,700)</b>	<b>20,000</b>
--------------------	---------------

<b>(12,04,985)</b>	<b>(25,99,050)</b>
--------------------	--------------------

**NOTE 20****EMPLOYEE BENEFIT EXPENSES**

Salary Expenses

6,70,34,265

1,26,67,589

Staff Welfare Expenses

1,36,831

1,88,045

Bonus Expenses

9,66,974

6,35,842

ESIC Expense

14,46,504

3,64,053

Labour Welfare Fund

10,620

1,349

Provident Fund

6,81,323

2,27,491

Worker Insurance Expenses

2,89,063

59,328

Transport for Staff

37,630

2,57,901

Flat Rent

2,20,000

1,30,520

Gratuity

12,73,735

12,405

<b>7,20,96,945</b>	<b>1,45,44,523</b>
--------------------	--------------------

**NOTE 21****FINANCE COST**

Bank Charges

1,34,633

22,518

Bank Interest

1,28,677

1,44,590

Bank Interest (Term Loan)

15,678

1,69,195

Loan Processing Charges

-

1,07,722

Interest on Unsecured Loans

41,87,060

14,27,541

<b>44,66,048</b>	<b>18,71,566</b>
------------------	------------------



**NOTE 22****OTHER EXPENSES****Payment to Auditor:**

As Auditors

50,000

50,000

**Insurance Expense**

1,24,456

1,44,990

**Repairs to Building & Machinery**

2,21,765

(311)

**Miscellaneous Expenditure:**

Advertisement Expense

1,08,670

39,450

Canteen Expenses

11,62,303

-

Computer Expenses

5,31,463

1,791

Conveyance Expenses

1,63,228

-

Consultancy Expense

13,59,766

Discount Account

(18,192)

43,239

Hire Charge of Machinery

13,952

21,000

Interest &amp; penalty on Late payment of Taxes

22,121

32

Internet Exp

14,114

-

Legal &amp; Professional Fees

6,12,486

6,45,894

Loading &amp; Unloading exp

15,700

Medicine Expense

44,302

17,674

Other miscellaneous exp

2,396

-

Office &amp; General Expense

3,60,723

67,695

Other charges (L&amp;T)

2,56,741

-

Postage &amp; courier Expense

7,936

2,575

Rent Exp

1,43,615

-

Round off exp

26

-

Service charges

2,93,120

-

Service Tax Expenses

59,380

616

Stationery Expense

1,72,919

47,531

Vehicle Exp.

2,44,821

1,95,861

Vehicle Maintenance

23,639

1,89,598

Tax &amp; Duty

2,400

2,400

Travelling Expenses

11,04,148

67,565

Transportation Expenses

9,535

56,500

Telephone Expense

59,910

51,180

Website Development charges

48,000

-

**72,15,441****16,45,279**

**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.lpnaval.com ; Email: admin@lpnaval.com.

# SCHEDULES FORMING PART OF FINANCIAL STATEMENT

**NOTE 10** (Amount in Rs.)

**PARTICULARS** As at 31.03.2019

## FIXED ASSETS AND DEPRECIATION AS ON 31.03.2019

Description	Gross Block			Depreciation			Net Block	
	Opening Balance	Addition	Deduction	As At 31.03.2019	Opening Balance	For the Period Adjustment	As At 31.03.2019	As At 31.03.2018
Computer & data Processing Units	3,65,824	2,52,038	-	6,17,862	3,09,990	-	3,69,204	55,834
Furniture & Fittings	2,72,909	69,512	-	3,42,421	1,41,637	-	1,72,515	1,31,272
Motor Vehicles	36,33,374	-	-	36,33,374	23,55,895	-	28,00,985	12,77,479
Plant & Machinery	3,06,58,321	1,80,82,101	-	4,87,40,422	41,22,464	-	67,09,402	2,65,35,857
Segment II (Ship Yard) Lease Hold Land (Dahej)	11,02,43,760	-	-	11,02,43,760	-	-	-	11,02,43,760
Capital Work in Progress	1,58,91,530	-	-	1,58,91,530	-	-	-	1,58,91,530
<b>TOTAL</b>	<b>16,10,65,718</b>	<b>1,84,03,651</b>	<b>-</b>	<b>17,94,69,369</b>	<b>69,29,986</b>	<b>31,22,120</b>	<b>1,00,52,106</b>	<b>15,41,35,732</b>
Previous Year	14,27,87,218	1,82,78,500	-	16,10,65,718	54,22,734	15,07,252	69,29,986	15,41,35,732

**NOTE 23**

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

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

c.	<u>Auditors Remuneration</u>	C. Year	P. Year
	As Auditors	50000	50000
	<b>TOTAL:</b>	<b>50000</b>	<b>50000</b>

d. (i) The disclosures of transactions with the related parties as required by AS 18- "Related Party Transactions" are given as under. Related parties have been identified on the basis of representation made by the directors of the company and information available with the company.

Name of the related party and description of relationship:

**Key Managerial Personnel (KMP) & Director**

Manoj Kumar Sarawagi (Executive Director)

Sanjay Kumar Sarawagi (Executive Director)

Rakesh Kumar Sarawagi (Executive Director)

Ruchita Amit Mittal (Independent Woman Director)

Pratibha Pankaj Gulgulia (Independent Woman Director)

Mahesh Saboo (Independent Director)

Mustufa Haji (Chief Financial Officer)

Amit Khandelwal(Manager)

Kaushik Haribhai Vegad (Company Secretary appointed on 07.04.2018)

Vinita Dinesh Agarwal (Company Secretary resigned on 07.04.2018)

**Relatives of KMP & Director**

Govind Prasad Sarawagi

Kanta Devi Sarawagi

Sarla Sarawagi

Sandhya Sarawagi

Sujata Sarawagi

Meena Tibrewal

Mansi Sarawagi (Minor)

Tanya Sarawagi

Parth Sarawagi (Minor)

Hardik Sarawagi

Chaheti Sarawagi (Minor)

Teshima Sarawagi (Minor)

Hridan Sarawagi (Minor)

Arjun Amit Khandelwal(Minor)

Jyoti Amit Khandelwal

Prem Kumar Khandelwal

Mira Khandelwal

Charul Gupta

Shilpa Ranade

Batul Mustufa Haji

Alifiya Mustufa Haji

Murtaza Mustufa Haji

Rehana Moizbhai Haji

Moiz Fakhruddin Haji

Haribhai Vegad

Kantaben Haribhai Vegad

Nareish Haribhai Vegad

Dinesh Agarwal

Manju Agarwal

Dipak Agarwal

Alka Bansal

**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 Distributors 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

Surat Mega Textile Processing Park Association

Alliance Engineering

Mineral corporation

Himalaya corporation

Shahlon Textile Park Pvt. Ltd.

Shri Govindprasad Sarawagi Charitable Trust

Samarth Sarawagi Education Trust

Samarth Sarawagi Marriage Trust

Teshima Sarawagi Marriage Trust

Teshima Sarawagi Education Trust

Narmada Thermal Power Limited

Parth Sarawagi Education Trust

Parth Sarawagi Marriage Trust

Chaheti Sarawagi Marriage Trust

Chaheti Sarawagi Education Trust

Tanya Sarawagi Education Trust

Tanya Sarawagi Marriage Trust

Mansi Sarawagi Education Trust

Mansi Sarawagi Marriage Trust

(ii) Transaction during the year with the related parties and closing balances as on 31.03.2019.

Nature of Transaction	Value of Transaction		
	Key Managerial Personnel (KMP) & Director	Relatives of KMP & Director	Enterprises owned or significantly influenced by KMP or their relatives
Loans accepted	2,68,05,000	-	-
Loans repaid	-	-	-
Interest Paid	-	-	-
Remuneration	-	-	-
Salary expenses	19,42,501	-	-

Nature of Transaction	Closing Balances		
	Key Managerial Personnel (KMP) & Director	Relatives of KMP & Director	Enterprises owned or significantly influenced by KMP or their relatives
Loans accepted	-	-	-
Loans repaid	5,86,34,000	-	-
Interest Paid	-	-	-
Remuneration	-	-	-
Salary expenses	61,250	-	-

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

	As at 31.03.2019	As at 31.03.2018
<b>Basic &amp; Diluted EPS</b>		
Basic:		
Profit after tax as per accounts	1,00,68,902	(1,13,16,602)
Weighted average number of shares outstanding	57,52,000	57,52,000
Basic EPS	1.75	-1.97

Diluted:		
Profit after tax as per accounts	1,00,68,902	(1,13,16,602)
Weighted average number of shares outstanding	57,52,000	57,52,000
Add: Weighted average no. of potential equity shares	-	-
Weighted average no. of shares o/s for diluted EPS	57,52,000	57,52,000
Diluted EPS	1.75	-1.97

	Depreciation	Gratuity	Total
g. Depreciation as per Income Tax Rules	60,26,071	-	
Depreciation as per Companies Act	31,22,120	12,73,735	
Timing Difference	29,03,951	(12,73,735)	
Tax on diff @ 26% [ DTL / (DTA)]	<b>7,55,027</b>	<b>(3,31,171)</b>	<b>4,23,856</b>

h. 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
9,17,171	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.

i. 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:

- Fabrication
- 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.

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

k. Details of value of Imports, Earnings in foreign Currency and expenditure in foreign currency: NIL

For R. Kejriwal & Co.  
Chartered Accountants

For L. P. NAVAL AND ENGINEERING LIMITED

Sd/-  
Vishal Joshi  
Partner  
M.No. 427019  
FRN.133558W  
Date : 27/05/2019  
Place : Surat

Sd/-  
Sanjay Sarawagi  
Director  
DIN: 00005468  
  
Sd/-  
Company Secretary

Sd/-  
Rakesh Sarawagi  
Director  
DIN:00005665  
  
Sd/-  
C.F.O.

# Attendance Slip

Record of Attendance at the ANNUAL GENERAL MEETING held on Tuesday, 24th September, 2019 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: , 2019

# 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**

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 24th September, 2019 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 Nos.

1. To receive, consider and adopt the Audited Financial Statement of the company for the financial year ended on 31st March, 2019 together with the report of the Board of Directors & Auditors' thereon.
2. To appoint a Director in place of Mr. Manojkumar G Sarawagi, Executive Director (DIN: 00005447), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.
3. To Appoint Mr. Girish Umesh Srivastava (DIN: 03017032) as an independent director.
4. To Re-appoint Mrs. Ruchita Amit Mittal as an Independent Woman Director of the Company.
5. To Reappoint Mr. Amit Khandelwal as a Manager of the company
6. Approval for the material related party transaction with Siddhi Vinayak Knots & Prints Private Limited for Sale or provision of services
7. Approval for the material related party transaction with Siddhi Vinayak Polyfab Private Limited for Entering into Lease and License Agreement
8. Approval for the material related party transaction for taking of Loans and paying interest thereon.

Signed this ..... day of ..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix a  
Re. 1  
Revenue  
Stamp

**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. A holder may vote either for or against each resolution.

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# 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]

<b>Name of the Company:</b>	<b>L. P. NAVAL AND ENGINEERING LIMITED</b>
<b>Registered Office:</b>	<b>Office Block First Floor Pl. No.237/2 &amp; 3 Sub Pl. No. A/25 Central Park Soc. G.I.D.C Pandesara Surat 394221</b>
<b>CIN</b>	<b>L35111GJ2012PLC068922</b>
<b>BALLOT PAPER</b>	

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 Tuesday, 24th September, 2019 at 11:00 A.M. at the Registered Office of the Company at Office Block, First Floor, Plot No. 237/2 & 3, Sub Plot 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
-----	----------	--------------------------	----------------------------	-------------------------------

## Ordinary Businesses

1	Receive, consider and adopt the Audited Financial Statement of the company for the financial year ended on 31st March, 2019 together with the report of the Board of Directors & Auditors' thereon.			
2	Appoint a Director in place of Mr. Manojkumar G Sarawagi, Executive Director (DIN: 00005447), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment			

## Special Business

3	Appointment of Mr. Girish Umesh Srivastava (DIN: 03017032) as an Independent Director of the Company			
4	Re-appointment of Mrs. Ruchita Amit Mittal as an Independent Woman Director			
5	Re-appointment of Mr. Amit Khandelwal as a Manager of the company			
6	Approval for the material related party transaction with Siddhi Vinayak Knots & Prints Private Limited for Sale or provision of services			
7	Approval for the material related party transaction with Siddhi Vinayak Polyfab Private Limited for Entering into Lease and License Agreement			
8	Approval for the material related party transaction for taking of Loans and paying interest thereon			

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.

