



L. P. Naval and Engineering Limited

(Formerly known as Siddhi Vinayak Shipping Corporation Limited)

July 03, 2019

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Sub: Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Script Code: 537669

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly find enclosed herewith a copy of Results presentation with respect to the H2 & FY 2019 Financial results for the year ended 31st March 2019 of the company.

Kindly take the above information on record and oblige.

Thanking you

**Yours Faithfully,
For L. P. Naval and Engineering Limited**

**Kaushik Vegad
Company Secretary & Compliance Officer**





L. P. NAVAL AND ENGINEERING LTD.

2nd Half Year Ended & FY19 Update

Safe Harbour

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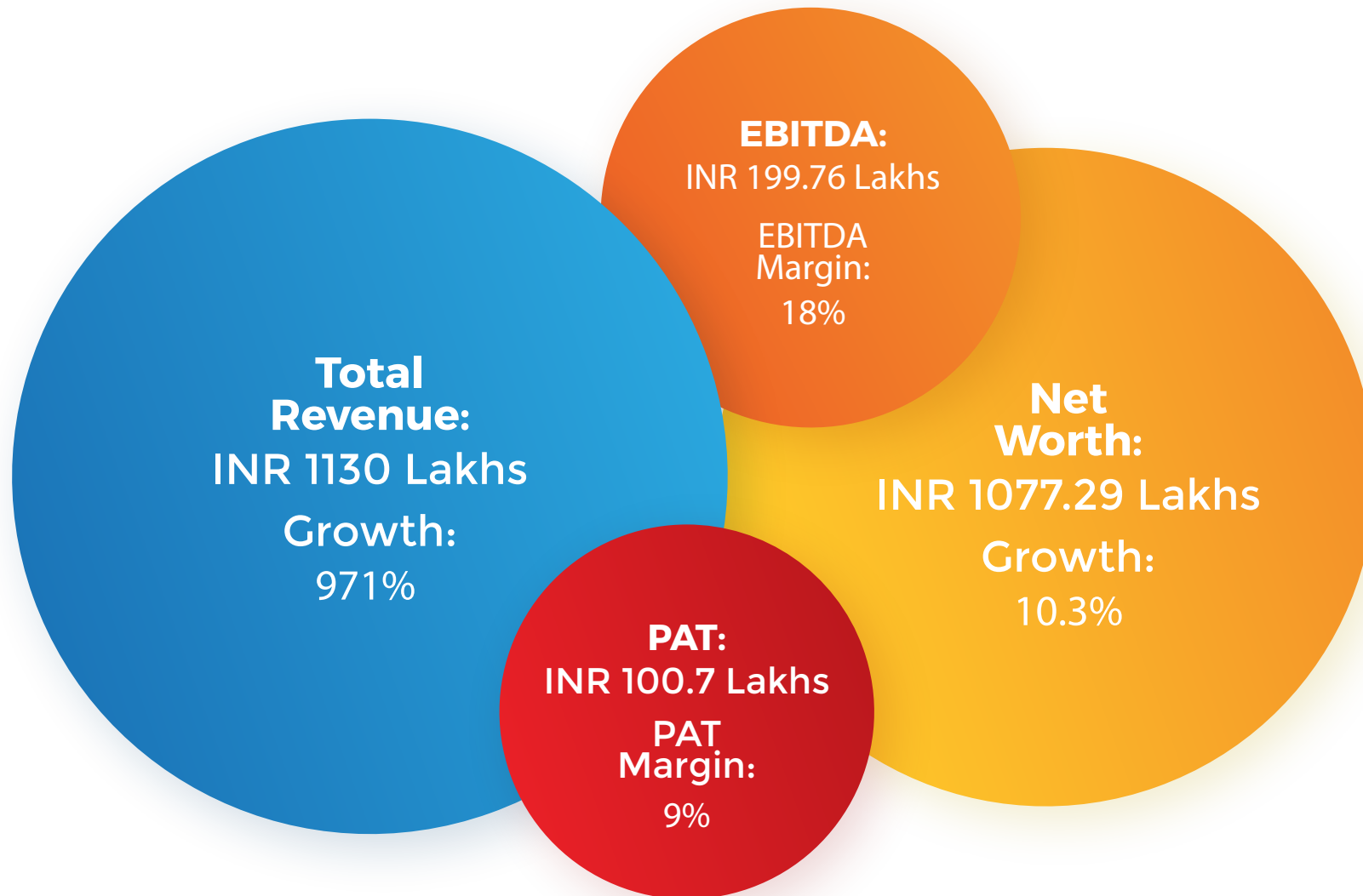


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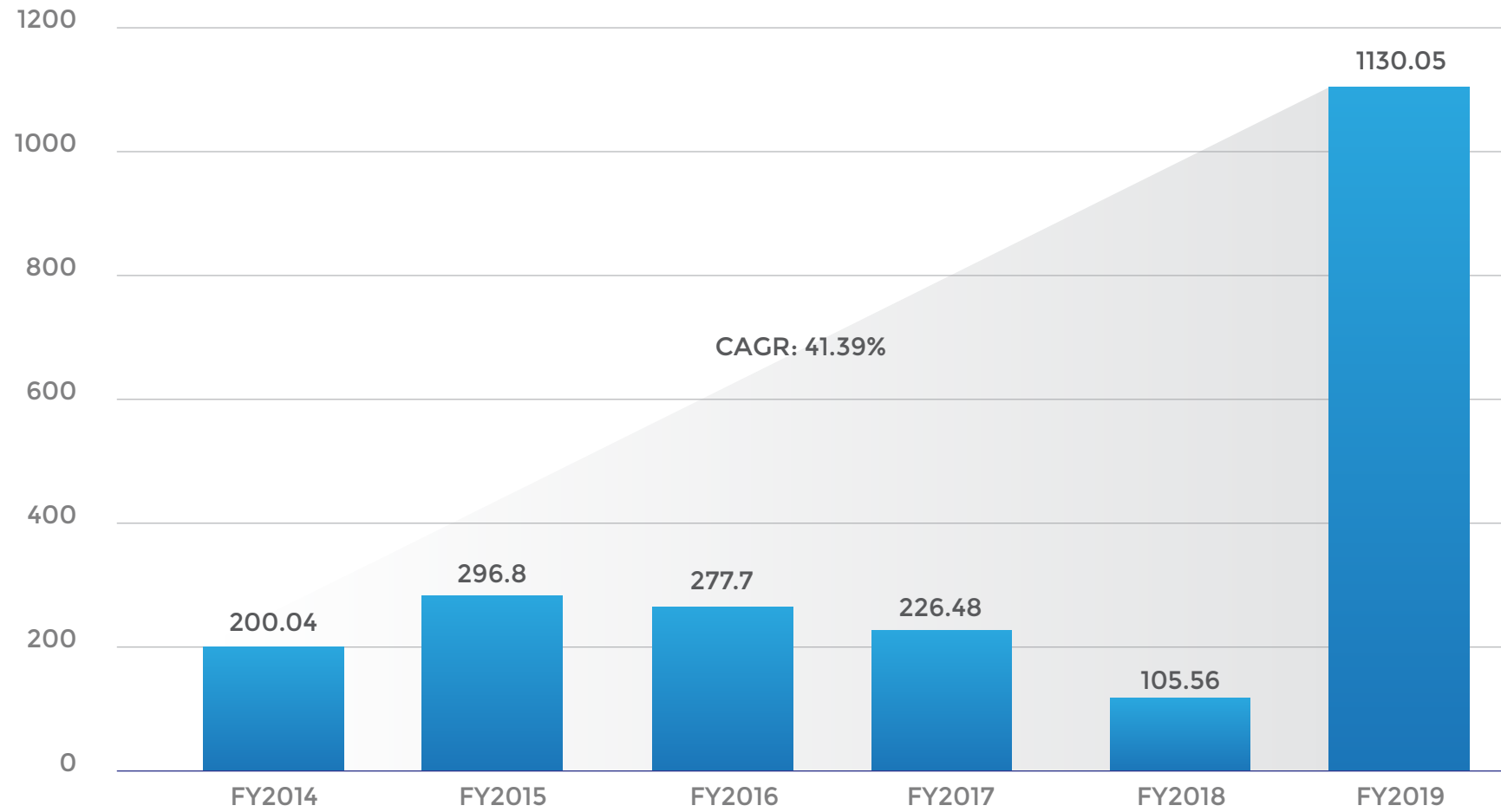


FY19 at a Glance



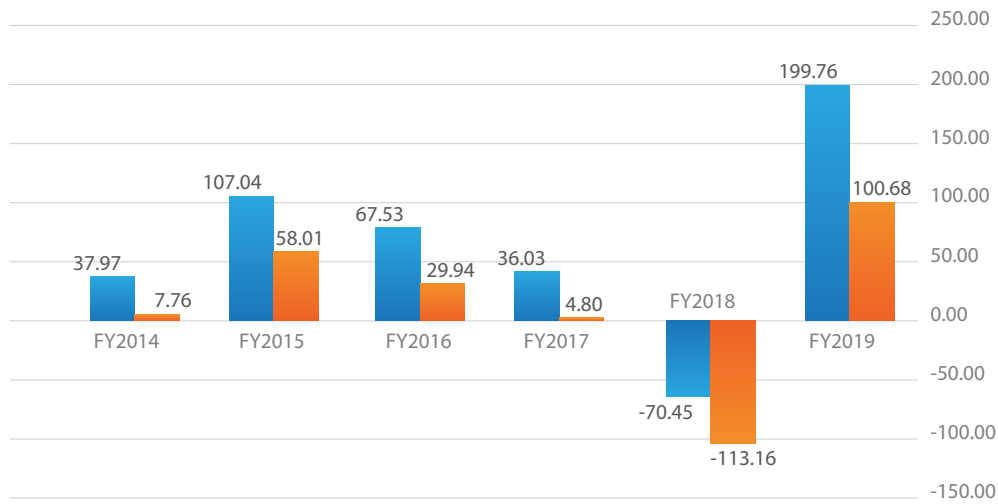
FY19 at a Glance

Total Revenue (in lakhs)



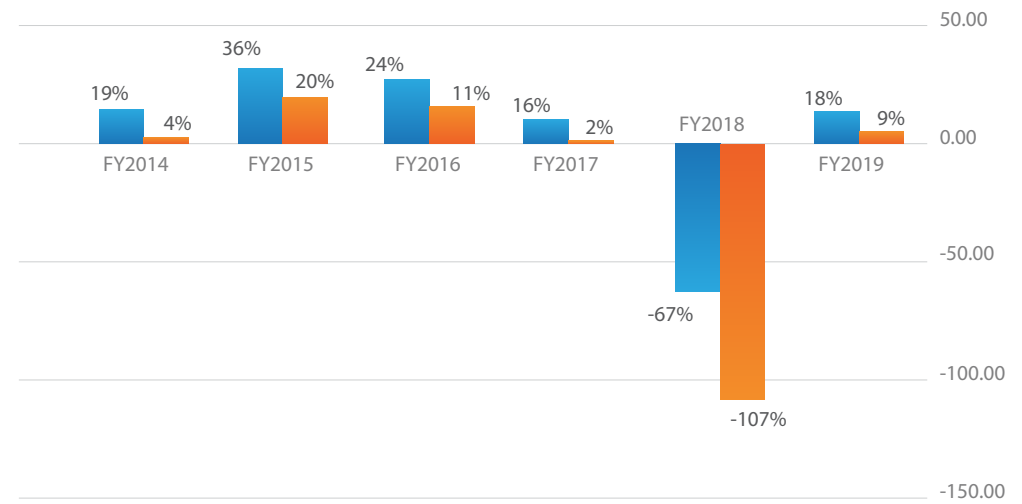
FY19 at a Glance

Profitability (in lakhs)



■ EBITDA ■ PAT

Profitability Margins



■ EBITDA ■ PAT

Business Understanding and Overview

Timeline

2012-2015

Company Incorporation. Worked 3 years in Shipbuilding Industry manufacturing essentials for fast moving aluminium boats and delivered 12 projects to its principal client. Constructed Hulls, Super Structures, and Piping.

2016

Diversifying into other businesses: Engineering Services and Defence Projects, along with **Maintenance and Repair work.**

2018

Company changed its name from **Siddhi Vinayak Shipping Corporation to L.P. Naval and Engineering Ltd.**

Company also ventured into reactor and pressure vessel division.

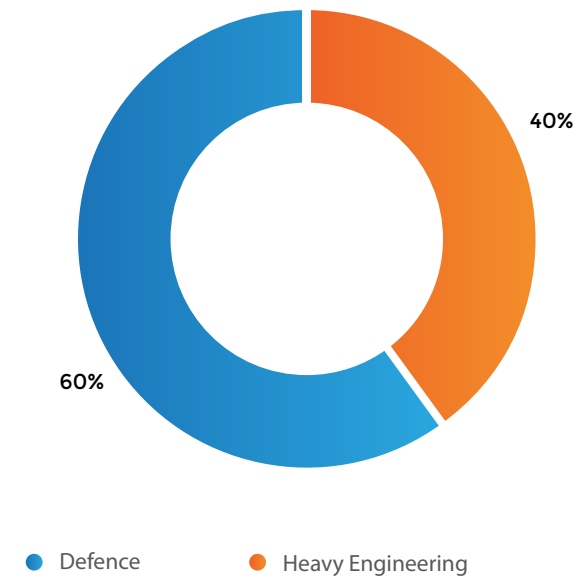
2019

The Company put the strong foot forward with turnover reaching as high as 11 crores from 1 crore in the previous Financial Year. The Company found good traction in Defence & Heavy Engineering Sectors.

Business Overview

- The Company invested its resources and personnel in seeking new projects in the past couple of years, which has given the desired results in FY19 and is expected to do the same in the coming years.
- The company has been able to keep its long term objective intact, because of resource availability.
- In FY19, the Company, with its state-of-the-art technology and manpower, was able to cater to the fabrication needs of its principal client's Defence and Heavy Engineering Sector.
- Fabrication of Repair and Maintenance work contributed significantly to L.P. Naval's topline growth.

FY19 Revenue Break-up

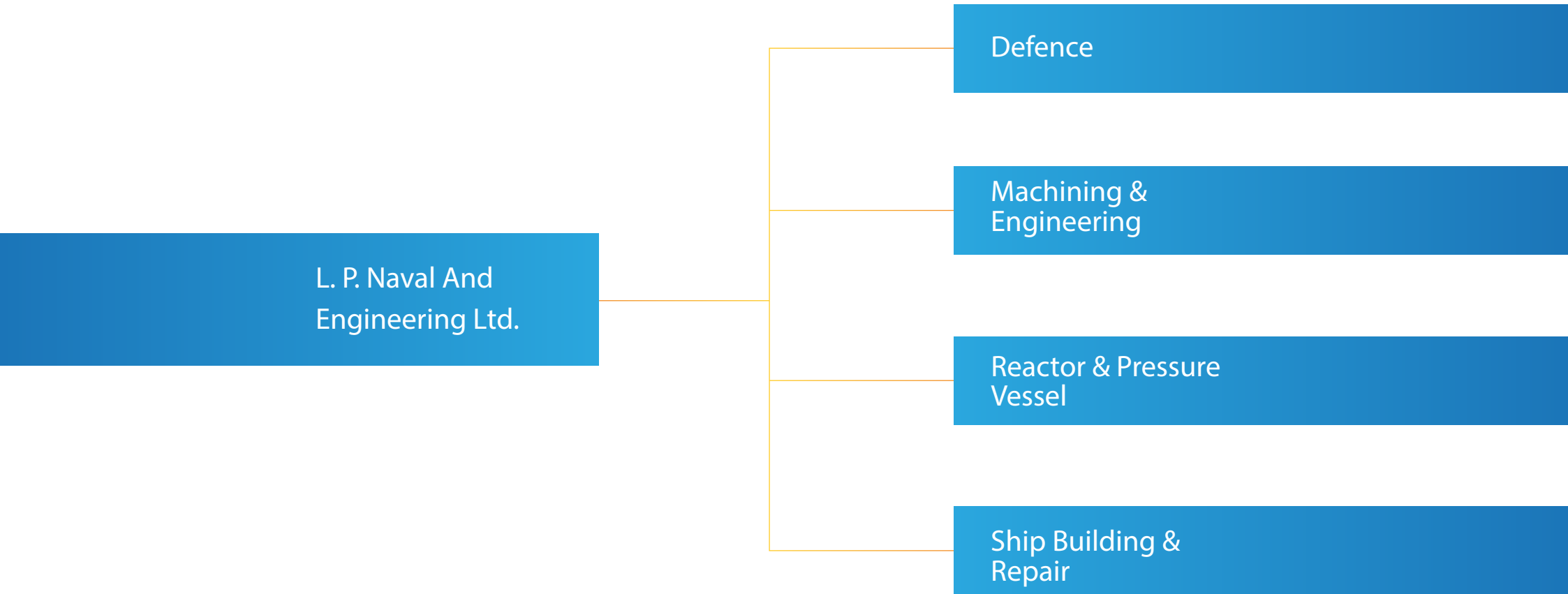


Road Map Ahead

- The Company is expecting that its business relationships with principal client would continue as L.P. Naval is able to provide quality results, with competent team management.
- L.P. Naval and Engineering Ltd. provides both manpower (skilled and unskilled: 500+) and fabrication services to its principal client which is expected to continue, thus bringing stability in profitability.
- The company is working on a cross country pipeline pilot project.
- The Company had received Industrial License from the (DIPP) Department of Industrial Policy and Promotion in FY17 to manufacture warships. This shall start generating revenue for the Company in the coming years. The work for the same is expected to be carried out in Dahej.
- The company is planning to setup a own state of the art Engineering workshops.



Potential Business Segments The Company Can Cater To

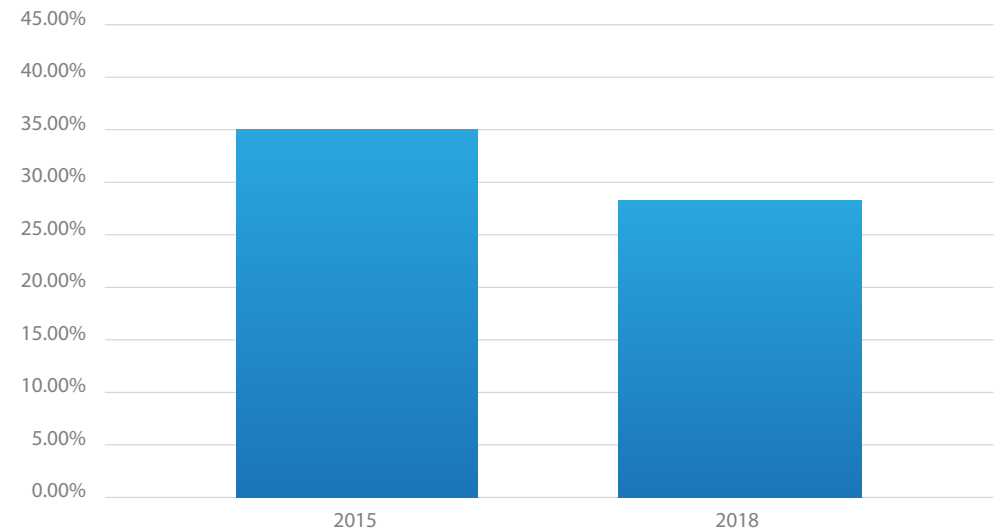
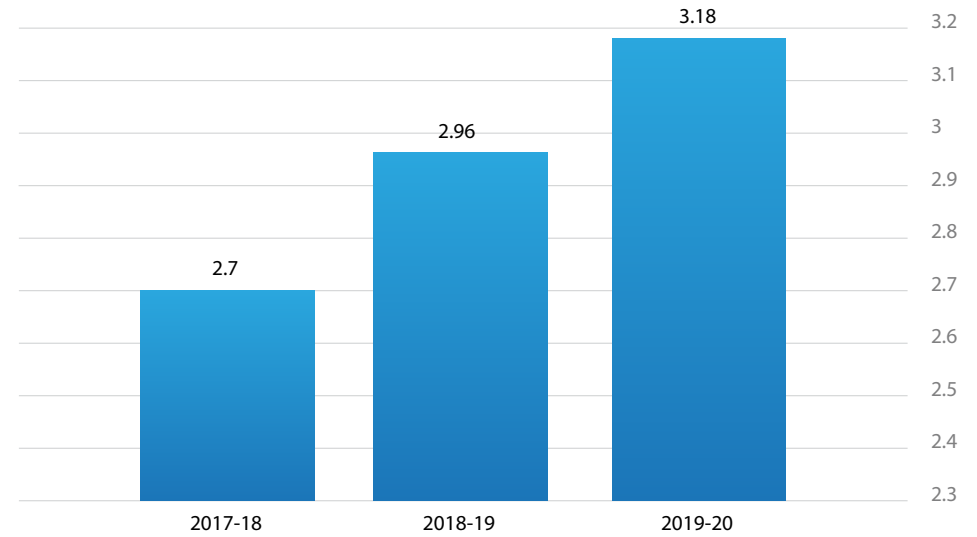


Expecting to get independent orders in the current year

Defence Sector

- India spends more than 2.30% of the GDP on defence, which is further expected to rise in the current government rule.
- The government initiated “Strategic Partnerships in Defence Sector” to develop a functional mechanism to encourage participation of the private sector in manufacturing of aircrafts, submarines, specialised boats, in order to increase efficiency and absorb technology faster. This indeed, would uplift the “Make in India” drive and reduce India’s dependence on Imports and external players in the Defence Sector.
- L. P. Naval is likely to benefit from this drive by getting orders through its clients and also independently as our dedicated team has, using strong networks and understanding the technical requirements of the business. The Company can also expect its Repair and Maintenance Division to do well as the Sector picks up and demand goes up.

Government Budget Allocation to Defence (lakh crores)



“Make In India” witnesses a relative drop in import of Defence

Shipbuilding Industry

- The Company fabricated hulls, super structures, vessels, piping of fast moving aluminium boats, and other defence boats for principal client. With its state-of-the-art-technology, the Company has an edge over its competitors which will help the Company maintain its business relationships with principal client.
- The Company is expecting to get independent orders in FY20 and FY21.



Engineering and Manufacturing Industry

- The Engineering sector in India is the largest and most diversified of all industrial manufacturing sectors.
- The demand is driven from industries such as infrastructure, power, mining, oil and gas, refinery, steel, automotive and consumer durables and several companies in the industry have diversified, either geographically or sector-wise.
- L. P. Naval's principal clients have diversified product portfolio and they cater to industries such as fertilizer, chemical, refinery, petrochemical, and oil & gas, as well as to sectors such as thermal & nuclear power, aerospace and defence.
- L.P. Naval generates its major revenue by providing manpower and fabricating service to Engineering sector and is likely to benefit from the overall growth in the Engineering sector.



Engineering and Manufacturing Industry



- De-licensing (100% FDI)
- Reduction in tariffs and customs
- Supportive government policies leading to higher investments



Growth Drivers



Demand Side Drivers

- Increase in Infrastructure spending
- Rise in exports which touched US\$ 76.20 billion during FY18



Investment

- Increasing FDI inflows
- Higher M&A
- Easy credit facilities for manufacturing companies

SWOT ANALYSIS: L.P. Naval and Engineering Ltd.

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.

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.

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 providing opportunities to the company.

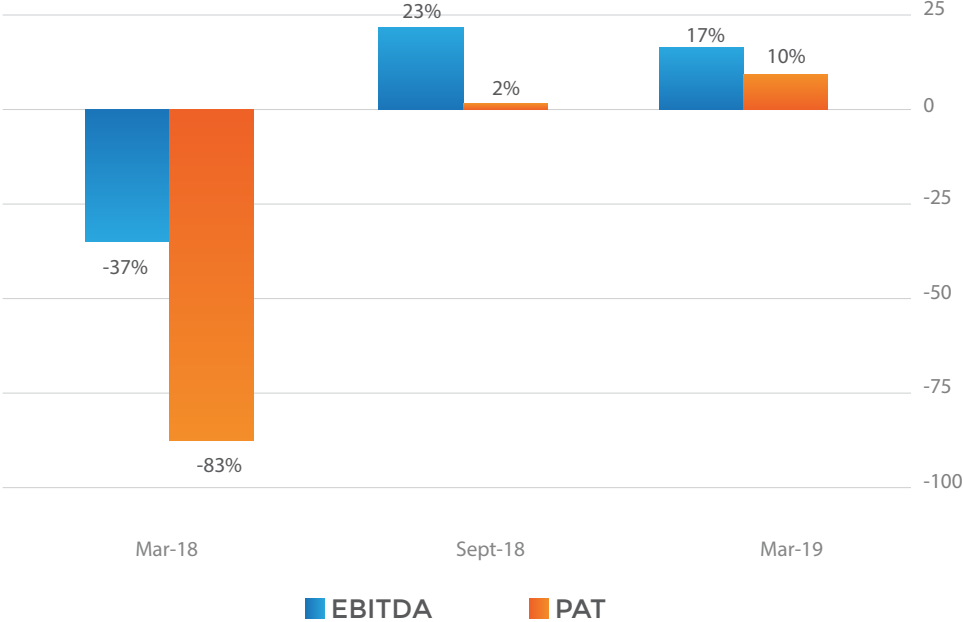
SWOT Analysis

Threats

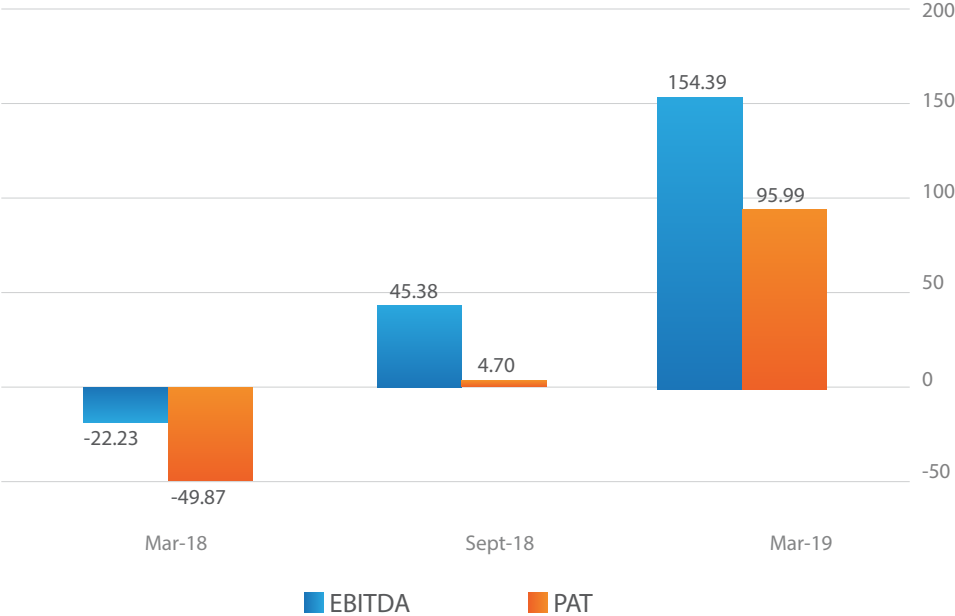
- Strong Competition from established yards in China and Korea. They have an upper hand in design and manpower costs in Shipbuilding.
- Commercial Shipbuilding growth is constrained by Global oversupply.
- Rapidly changing technology in the Defence Sector.

Half Year FY19 ending at a glance

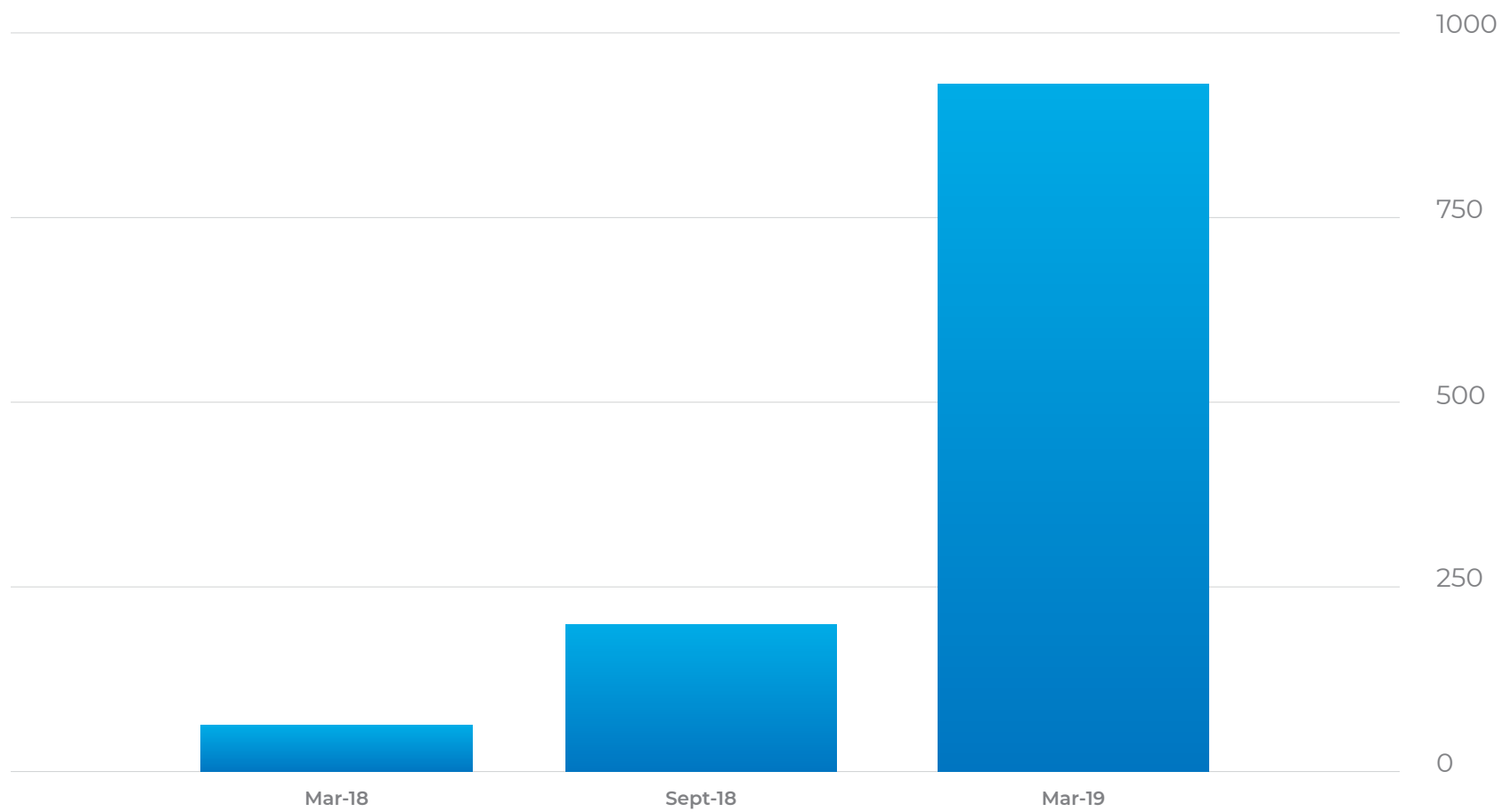
Half year Profitability Margins



Half Year Profitability (in lakhs)

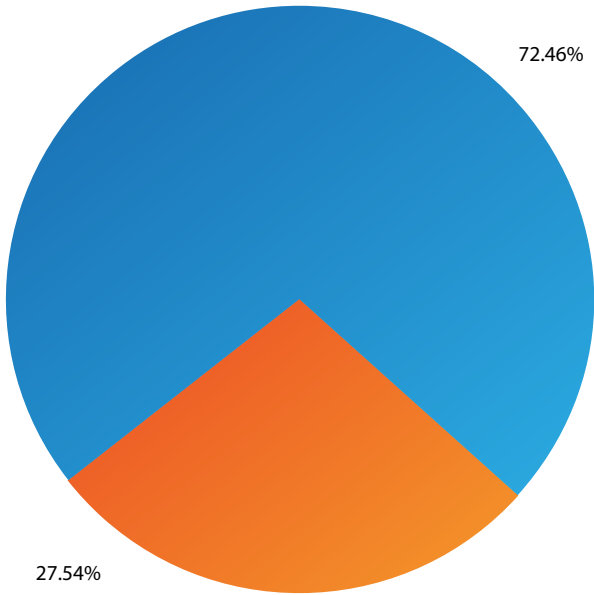


Total Revenue (in lakhs)



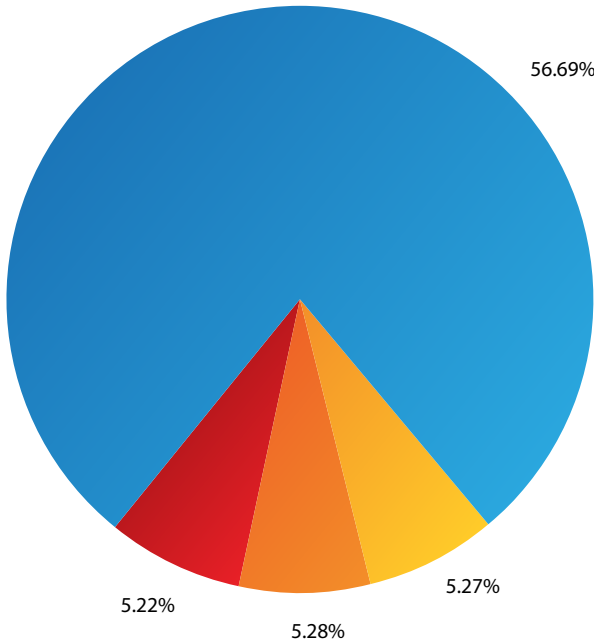
Holding and Promoter Group

Holding



- Promoter & Promoter Group
- Public

Promoter and Promoter Group 72.46%



- ManojKumar Sarawagi
- RakeshKumar Sarawagi
- SanjayKumar Sarawagi
- Govind Prasad Sarawagi

Thank you