

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 12th Annual Report and Accounts for the year ended 31st March 2022.

FINANCIAL RESULTS:

Summary of Financial Results of the Company is as follows:

Particulars	(Rs. Lakhs)	
	2021-22	2020-21
Turnover	-	-
(Loss)/Profit before Depreciation, Interest, Taxes	0.32	1.18
Less: Depreciation, amortization and obsolescence	-	-
(Loss)/Profit before interest & Tax	0.32	1.18
Less: Interest	-	-
(Loss)/Profit before tax	0.32	1.18
Less: (Prior year Tax Provision written back)/Provision for tax	(0.38)	0.29
(Loss)/Profit after tax from continuing operations	0.70	0.88

YEAR IN RETROSPECT:

In current year, there were no material operations carried by Company and same is reflected in nil turnover for current year. The Company has registered a profit in the current year of Rs.0.71 Lakhs as against a profit of Rs. 0.88 Lakhs in the previous year.

CAPITAL & FINANCE:

Company has not taken any loan during the year.

CAPITAL EXPENDITURE:

As at March 31, 2022 the gross fixed assets stood at Rs. 25.68 Lakhs and the net fixed at Rs. Nil. No Capital Expenditure has been made during the year by the Company.

DEPOSITS

The Company has not accepted any deposits from public during the financial year ended March 31, 2022. There are no deposits outstanding as of March 31, 2022.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has not given any loan, guarantees or security & has not made any investment during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no material related party transactions during the year.

AMOUNT TO BE CARRIED TO RESERVE:

The Company is not required to create any reserve.

DIVIDEND:

There being no operations, the Directors do not recommend any dividend for the year ended March 31, 2022.

DEPOSITORY SYSTEM:

The Ministry vide its notification dated 10th September 2018, requires certain companies to facilitate dematerialization of all its existing securities and has mandated that the stake of promoters, directors and key managerial personnel should be held in demat form. As on March 31, 2022, 60 percent of the Company's total paid up capital representing 1,00,000 shares are in dematerialized form. Further, the Ministry has prohibited the physical transfer of securities. Hence, members holding shares in physical mode are advised to avail of the facility of dematerialization.

The report on reconciliation of share capital audit from Practicing Company Secretary has been submitted by the Company within stipulated time.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There is no material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

LIST OF DIRECTORS:

A. Directors of the Company for the period under review –

1. Mr. Chew Seng Heng (Mr. Manish Purohit appointed as Alternate Director)

2. Mr. K. S. Balasubramanyam
3. Mr. Parthasarathi Chatterjee
4. Mr. Srivatsan Rajagopalan
5. Mr. Phanindhar Chivukula
6. Mr. C. S. Kole

B. Directors appointed/resigned during the year:

During the year under review, Mr. Reza Bin Abdul Rahim and Mr. Satish Palekar resigned from the Board on 1st October, 2021 and 4th October, 2021 respectively. The Board of Directors place on record its appreciation for the contributions made by them during their tenure as directors of the Company.

The Company has inducted Mr. Parthasarathi Chatterjee, nominated by Larsen & Toubro Limited, and Mr. Chew Seng Heng, nominated by Sapura Nautical Power Pte. Ltd. as Additional Directors with effect from 19th November, 2021. Pursuant to the provisions of section 161 of the Companies Act, 2013, any Director appointed as an Additional Director shall be approved by the members at the next annual general meeting. Accordingly, Mr. Parthasarathi Chatterjee and Mr. Chew Seng Heng holds office upto the date of this Annual General Meeting and it has been proposed to appoint them as Directors of the Company.

Mr. R. Srivatsan and Mr. Phanindhar Chivukula retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held as and when necessary. During the year under review, 5 meetings were held on May 4, 2021, July 23, 2021, November 19, 2021, November 30, 2021 and January 25, 2022.

The Agenda of the Meetings are circulated to the Directors in advance as per the provisions of the Act. Minutes of Meetings of the Board of Directors were circulated amongst the Members of the Board for their perusal and comments.

COMMITTEES OF THE BOARD:

The Company is not required to constitute any committees under the Companies Act, 2013.

AUDITORS' REPORT AND REPORTING OF FRAUDS:

The Auditors' Report to the Shareholders does not contain any qualification, observation or comment or remark(s) which has an adverse effect on the functioning of the Company.

The Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

ANNUAL RETURN:

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the financial year 2021-22 is available on our website www.lntsapura.com.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- i) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the Annual Accounts on a going concern basis; and
- v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended March 31, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

Risk Management Framework:

The Company has not commenced any commercial operations and is not exposed to any risk. Hence, the Board has not adopted a Risk Management Policy.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

PROTECTION OF WOMEN AT WORKPLACE:

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated. It is also informed that Company does not have any employees on its payroll. Presently the Company has Internal/Local Complaints Committees under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 consisting of appropriate balance of members.

AUDITORS:

As per the provisions of the Companies Act, 2013, M/s Sharp & Tannan were appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting.

Accordingly, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the present Statutory Auditors of the Company, M/s Sharp & Tannan would hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to be reappointed for a further term.

The Board of Directors of the Company recommends the re-appointment of M/s Sharp & Tannan for another term of five consecutive years from the conclusion of this ensuing 12th Annual General Meeting till the conclusion of 17th Annual General Meeting of the Company.

Certificate from the Auditors has been received to the effect that they continue to satisfy the criteria provided in Section 141 of the Companies Act, 2013 and that their appointment is within the limits prescribed under Section 141(3)(g) of the Act and Companies (Audit and Auditors) Rules, 2014.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture partners.

For and on behalf of the Board

R. Srivatsan
Director
DIN: 06465912

Phanindhar Chivukula
Director
DIN: 07208150

Date: April 13, 2022
Place: Mumbai



SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

INDEPENDENT AUDITOR'S REPORT

To the Members of L&T Sapura Offshore Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of L&T Sapura Offshore Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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Shreedhar T. Kunte
Firdosh D. Buchia

Ramnath D. Kare
Tirtharaj A. Khot

Edwin P. Augustine
Pavan K. Aggarwal

Raghunath P. Acharya

Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 of 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 statement 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 responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 could 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 exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 financial statements that, individually or in the aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement 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 to 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, 2020 ('the Order'), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, based on our audit we report that:
 - (a) 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the relevant books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended), we report that according to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid/ provided for any remuneration to the directors of the Company during the year; and
- (h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 15.11 to the financial statements;
 - ii the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 15.14 to the financial statements; and
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company– refer note 15.12 to the financial statements.
- Iv (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

SHARP & TANNAN

LETTER NO: _____

SHEET NO: _____

- v The Company has not declared or paid dividend during the year.

For Sharp & Tannan
Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia
Partner
Membership no. 038332

Vadodara, 13 April 2022
UDIN: 22038332AHAMUJ9655

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment;
(B) The Company has maintained proper records showing full particulars including quantitative details and situation of intangible assets;
(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
(c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company;
(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and
(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) (a) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company; and
(b) According to the information and explanations given to us, no working capital facility have been sanctioned from banks or financial institutions during the year. Accordingly, paragraph 3(ii)(b) of the order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the

Company with the appropriate authorities. As explained to us the Company did not have any dues on account of provident fund, duty of customs, employee's state insurance, sales-tax, service tax, duty of excise, value added tax, and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, duty of customs, employee's state insurance, sales-tax, service tax, duty of excise, value added tax, income tax, goods and services tax, cess, and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no disputed dues of income tax, goods and service tax, provident fund, duty of customs, employee's state insurance, sales-tax, service tax, duty of excise, value added tax, and cess which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2022.

- (viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961);
- (ix) In our opinion and according to the information and explanations given to us, the Company has not borrowed any funds from any lender. Accordingly, paragraphs 3(ix) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year; and
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, no complaints were received as a part of whistle blower mechanism during the year Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013; and

- (b) According to the information and explanations given to us, as per section 138 of the Act, the Company is not required to conduct internal audit. Accordingly, paragraph 3(xiv)(b) of the Order is not applicable to the Company;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company;
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;
- (c) According to the information and explanations given to us, Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company;
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the financial year, and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- (xx) According to the information and explanations given to us, as per section 135 of the Act, the corporate social responsibility provisions are not applicable to the Company. Accordingly, paragraphs 3(xx)(a) and (b) of the Order are not applicable to the Company;
- (xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For Sharp & Tannan
Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia
Partner
Membership no. 038332

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

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&T Sapura Offshore Private Limited ('the Company') as of 31 March 2022 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 ('the Guidance Note') 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, and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 judgement, 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 2022, 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 ICAI.

For Sharp & Tannan
Chartered Accountants
Firm's registration no.109982W

Vadodara, 13 April 2022

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 22038332AHAMUJ9655

L&T Sapura Offshore Private Limited

Balance sheet as at March 31, 2022

Particulars	Note	As at 31-03-2022		As at 31-03-2021	
		Rs		Rs	
ASSETS:					
Non- current assets					
Property Plant and Equipment	1		3		3
Intangible assets	1.1		1		1
Other non-current assets	2		5,69,80,763		5,69,46,417
Total Non Current Assets			5,69,80,767		5,69,46,421
Current assets					
Financial Assets					
Cash and cash equivalents	3	80,88,059		78,74,591	
Other financial assets	4	59,896	81,47,955	83,877	79,58,468
Total Current Assets			81,47,955		79,58,468
TOTAL ASSETS			6,51,28,722		6,49,04,889
EQUITY AND LIABILITIES:					
EQUITY:					
Equity Share Capital	5	1,00,000		1,00,000	
Other equity	6	49,46,954		48,76,432	
Total Equity			50,46,954		49,76,432
Current Liabilities					
Financial liabilities					
Trade payables	7	6,00,79,518		5,98,72,788	
Other Financial Liabilities	8	2,250	6,00,81,768	55,669	5,99,28,457
Total Current Liabilities			6,00,81,768		5,99,28,457
TOTAL EQUITY AND LIABILITIES			6,51,28,722		6,49,04,889
Contingent Liabilities	9				
Commitments	10				
Notes forming part of financial statements	1 - 16				

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982 W

For and on behalf of the Board

R. Srivatsan

Director

DIN: 06465912

Phanindhar Chivukula

Director

DIN: 07208150

Firdosh D. Buchia

Partner

Place: Mumbai

Date: 13th April, 2022

Place: Mumbai

Date: 13th April, 2022

L&T Sapura Offshore Private Limited
Statement of profit and loss for the year ended March 31,2022

Particulars	Note no.	Year ended March 31,2022		Year ended March 31,2021	
		Rs		Rs	
REVENUE:					
Other income	11		3,06,853		2,93,868
Total Income			3,06,853		2,93,868
EXPENSES:					
Other expenses	12		2,74,629		1,75,766
Total expenses			2,74,629		1,75,766
Profit / (loss) before tax			32,224		1,18,102
Tax expenses:					
Current Tax		-		29,727	
Reversal of income tax of earlier years		-38,298	-38,298	-	29,727
Profit for the year			70,522		88,375
Basic earnings per equity share (Rs)			7.05		8.84
Diluted earnings per equity share (Rs)			7.05		8.84
Face value per equity share (Rs)			10		10
Notes forming part of financial statements	1 - 16				

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982 W

Firdosh D. Buchia
Partner
Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board

R. Srivatsan Phanindhar Chivukula
Director Director
DIN: 06465912 DIN: 07208150

Place: Mumbai
Date: 13th April, 2022

L&T SAPURA OFFSHORE PRIVATE LIMITED
Statement of changes in Equity

A Share Capital:

Particulars	Balance as at 01-04-2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the prior reporting period	Changes in equity share capital during the prior year	Balance as at 31-03-2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31-03-2022
Equity shares of Rs. 10 each	10,000	-	-	-	10,000	-	-	-	10,000
	10,000				10,000				10,000

B OTHER EQUITY

Particulars	Profit & Loss Account
	Rs
Balance as at 01-04-2020	47,88,057
Profit/(Loss) for the year	88,375
Balance as at 31-03-2021	48,76,432
Profit/(Loss) for the year	70,522
Balance as at 31-03-2022	49,46,954

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982 W

Firdosh D. Bucha
Partner
Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board

R. Srivatsan
Director
DIN: 06465912

Pranishkar Chivukula
Director
DIN: 07208150

Place: Mumbai
Date: 13th April, 2022

L&T SAPURA OFFSHORE PRIVATE LIMITED
Cash flow statement for the year ended March 31, 2022

		Year ended March 31,2022	Year ended March 31,2021
		Rs.	Rs.
I. <u>Cash flow from operating activities</u>			
Profit before tax		32,224	1,18,102
<u>Adjustments for:</u>			
Interest income received		(3,06,853)	(1,22,475)
Operating profit before working capital changes		(2,74,629)	(4,373)
(Increase) / decrease in long term loans and advance		(13,664)	(37,370)
Increase / (decrease) trade payables and other financial liabilities		1,93,830	1,09,278
Cash (used in) / generated from operations		(94,463)	67,535
Direct Taxes (paid)/refund		(22,903)	9,19,695
Net cash (used in) /from operations activities	[A]	(1,17,366)	9,87,230
II. <u>Cash flow from investing activities</u>			
Interest received		3,30,834	50,569
Net cash flow (used in) /from investing activities	[B]	3,30,834	50,569
II. <u>Cash flow from Financing activities</u>	[C]	-	-
Net Increase / (decrease) in cash and cash equivalents	[A+B+C]	2,13,468	10,37,799
Cash and cash equivalents at beginning of the year		78,74,591	68,36,792
Cash and cash equivalents at end of the year		80,88,059	78,74,591

Notes:

- 1 Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7: "Statement of cash flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- 2 Cash and Cash equivalents at end of the year represents cash and bank balances.
- 3 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 4 Previous Year figures have been regrouped / reclassified wherever applicable.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982 W

Firdosh D. Buchia
Partner
Membership No.: 38332
Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board

R. Srivatsan	Phanindhar Chivukula
Director	Director
DIN: 06465912	DIN: 07208150

Place: Mumbai
Date: 13th April, 2022

NOTES FORMING PART OF ACCOUNTS

1 Prperty Plant & Equipment

	Gross Block				Accumulated Depreciation			Net Block	
	As at 01-04-2021	Additions	Disposals for the year	As at 31-03-2022	As at 01-04-2021	Depreciation charge for the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Tangible assets									
Computers	6,81,032	-	-	6,81,032	6,81,031	-	6,81,031	1	1
Furniture	5,000	-	-	5,000	4,999	-	4,999	1	1
Office equipment	5,48,876	-	-	5,48,876	5,48,875	-	5,48,875	1	1
Total	12,34,908	-	-	12,34,908	12,34,905	-	12,34,905	3	3

1.1 Intangible Assets

	Gross Block				Accumulated Depreciation			Net Block	
	As at 01-04-2021	Additions for the year	Disposals for the year	As at 31-03-2022	As at 01-04-2021	Depreciation charge for the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Intangible assets									
Software	13,32,716	-	-	13,32,716	13,32,715	-	13,32,715	1	1
Total	13,32,716	-	-	13,32,716	13,32,715	-	13,32,715	1	1

NOTES FORMING PART OF ACCOUNTS

2 Other Non Current Assets

		As at 31-03-2022		As at 31-03-2021
		Rs		Rs
Long term advances receivable				
GST Credit Receivable		5,69,60,081		5,69,46,417
Advance Taxes (Net of provision for tax)		20,682		-
		5,69,80,763		5,69,46,417

NOTES FORMING PART OF ACCOUNTS

3 Cash and Bank Balances

		As at 31-03-2022		As at 31-03-2021
		Rs		Rs
Cash & Cash equivalents				
Balances with Bank- Current Accounts		83,238		74,591
Bank Fixed deposit - More than 3 months		70,00,000		-
Bank Fixed deposit - Less than 3 months		10,04,821		78,00,000
Total		80,88,059		78,74,591

4 Other Financial Assets

		As at 31-03-2022		As at 31-03-2021
		Rs		Rs
Interest accrued on FD		59,896		83,877
Total		59,896		83,877

NOTES FORMING PART OF ACCOUNTS

5 Share Capital

5(I) Share Capital Authorised, Issued & Subscribed

	As at 31-03-2022		As at 31-03-2021	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Authorised:				
Equity Shares of ₹10 Each	2,25,00,000	22,50,00,000	2,25,00,000	22,50,00,000
Issued:				
Equity Shares of ₹10 Each	10,000	1,00,000	10,000	1,00,000
Subscribed & Fully Paid Up:				
Equity Shares of ₹10 Each	10,000	1,00,000	10,000	1,00,000

5(II) Reconciliation of Equity Shares:

Particulars	2018-19		2017-18	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Subscribed & Fully Paid Up at the beginning of the year	10,000	1,00,000	10,000	1,00,000
ADD:				
Equity shares issued during the year	-	-	-	-
Subscribed & Fully Paid Up at the end of the year	10,000	1,00,000	10,000	1,00,000

5(III) Shareholders holding more than 5% of Equity shares as at the end of the Year

Name of the Shareholder	As at 31-03-2022		As at 31-03-2021	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %
Larsen & Toubro Limited#	6,000	60%	-	0%
L&T Hydrocarbon Engineering Limited#	-	0%	6,000	60%
Nautical Power Pte Ltd	4,000	40%	4,000	40%
	10,000		10,000	

*(i) for the period of five years immediately preceding the date at which the Balance Sheet is prepared there are no shares allotted as fully paid up pursuant to contract without payment being received in cash, no shares allotted as fully paid up by way of bonus shares; and no shares bought back by the Company.

Refer note no. 15.18

NOTES FORMING PART OF ACCOUNTS

6 Other Equity

<u>Particulars</u>	As at 31-03-2022	As at 31.03.2021
	Rs	Rs
Profit & Loss Account	49,46,954	48,76,432
Total	49,46,954	48,76,432

NOTES FORMING PART OF ACCOUNTS

Financial Liabilities

7 Current - Trade payables

<u>Particulars</u>		As at 31-03-2022		As at 31-03-2021
		Rs		Rs
Due to related parties				
Larsen & Toubro Limited#	5,33,33,433		-	
L&T Hydrocarbon Engineering Limited#	-		5,33,35,368	
TL Offshore Sdn Bhd	66,57,771	5,99,91,204	64,80,557	5,98,15,925
Due to others		88,314		56,863
		6,00,79,518		5,98,72,788

Refer note no. 15.18

8 Other Financial Liabilities

<u>Particulars</u>		As at 31-03-2022		As at 31-03-2021
		Rs		Rs
TDS payable		2,250		15,150
Income Tax Provision		-		40,519
Total		2,250		55,669

9 Contingent Liabilities

There are no contingent liabilities as at 31st March 2022.

10 Commitments

There are no commitments as at 31st March 2022.

NOTES FORMING PART OF ACCOUNTS

11 Other Income

		Year ended March 31,2022		Year ended March 31,2021
		Rs		Rs
Interest on Fixed Deposit		3,04,996		1,22,475
Interest on Income Tax		1,857		1,71,393
Total		3,06,853		2,93,868

NOTES FORMING PART OF ACCOUNTS

12 Other Expenses

	Year ended March 31,2022	Year ended March 31,2021
	Rs	Rs
Bank charges	24	17
Rates & taxes	2,500	2,500
Legal and Professional Fees	11,596	13,096
Audit fees	77,502	71,000
Foreign exchange (gain)/loss	1,77,214	(42,494)
Miscellaneous Expenses	5,793	359
Overhead charged by parent	-	1,31,288
Total	2,74,629	1,75,766

L&T Sapura Offshore Private Limited

13. General Information

L&T Sapura Offshore Private Limited (LTSOPL) is a joint venture between Larsen and Toubro Limited* and Sapura Energy Berhad, Malaysia (Sapura) who has invested through its wholly owned subsidiary Nautical Power Pte Limited, Singapore (Nautical). Larsen and Toubro Limited* holds 60% of the share capital and Nautical holds 40%, the registered office of the Company is at Mount Poonamallee Road, P.O. Box. No.979, Manapakkam, Chennai 600089.

The Company provides engineering and installation services for installation of offshore platforms and laying of pipes and cables under the sea for the Hydrocarbon Upstream industry.

**Also refer note no. 15.18*

14. SIGNIFICANT ACCOUNTING POLICIES

14.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time. The financial statements were approved for issue by the Board of Directors at their meeting held on April 13, 2022.

14.2 Key sources of estimation:

The preparation of financial statements in conformity with Ind AS requires that management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets and allowance for doubtful debts/advances. Differences, if any, between the actual results and estimates are recognized in the period in which the results are known.

14.3 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II to the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14.4 Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. Operating cycle determined by the company is 1 year.

14.5 Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realization/collection. The company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below:

- (a) Revenue from construction/project related activity is recognised as follows:
 - (i) Cost plus contract: Contract revenue is determined by adding the aggregate cost-plus proportionate margin as agreed with the customer
 - (ii) Fixed price contract: Contract revenue represent the cost of work performed on the contract plus proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost of work performed to date to the total estimated contract cost.
- (b) Income from engineering services is recognised on accrual basis
- (c) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

14.6 Foreign currencies

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non – monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

14.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years
Intangible assets	6 years

Depreciation is provided in the accounts based on useful life of assets as per schedule II of the Companies Act, 2013.

Depreciation for additions to / deductions is calculated pro rata from / to the month of additions / deductions.

Assets with acquisition value less than Rs. 5,000 will be depreciated fully during the financial year.

14.8 Intangible assets and amortization

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets. The estimated useful life of asset is 6 years.

14.9 Impairment of assets

i. Impairment of financial assets

The Company applies a separate model of the expected credit loss, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 for recognizing impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial assets, as follows:

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

ii. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined at the higher of the net selling price and the value in use.

14.10 Financial instruments:

Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

14.11 Financial assets

i. Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

ii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss.

Derecognition of financial assets

- a. the right to receive cash flows from the asset has expired; or
 - b. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and
 - c. the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognized in profit or loss.

14.12 Financial liabilities

Financial liabilities, which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortized cost. A financial liability is derecognized when the related obligation expires or is discharged or cancelled.

14.13 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

14.14 Taxes on income

Current Tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

14.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when: (i) an entity has a present obligation (legal or constructive) as a result of a past event; and (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of: (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and (ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

14.16 Statement of cash flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profits for the effects of:

- i. transactions of a non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments and
- iii. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

14.17 Earnings per equity share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

14.18 Events after the reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date only of material size or nature are disclosed.

15. Notes to the standalone financial statements for the year ended March 31, 2022

15.1 Financial instruments by category:

(Amt in INR)

Particulars	As at 31-03-2022	As at 31-03-2021
Measured at amortised cost		
Financial assets		
Cash and cash equivalent	80,88,059	78,74,591
Other financial Assets	59,896	83,877
Total financial assets	81,47,955	79,58,468
Financial liabilities		
Trade payables	6,00,79,518	598,72,788
Other financial Liabilities	2,250	55,669
Total financial liabilities	6,00,81,768	5,99,28,457

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables are considered to be the same as their fair values due to their short-term nature. The carrying amounts of borrowings taken for short term are considered to be close to the fair value.

Items of income, expenses, gains or losses related to financial instruments:

(Amt in INR)

Particulars	2021-22	2020-21
Net gains /(losses) on financial assets and financial Liabilities measured at fair value through profit or loss and amortised cost		
Financial assets measured at amortised cost:		
Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	1,77,214	(42,494)
Total	1,77,214	(42,494)

Financial risk management - Financial risk factors

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, liquidity and credit risk.

(i) Foreign currency risk

The following table analyzes foreign currency risk from financial instruments as of March 31, 2022 and March 31, 2021:

Particulars	March 31, 2022	March 31, 2021
Financial liabilities		
Trade payables (MYR)	2,49,411	2,49,411
Trade payables (USD)	28,500	28,500

(ii) **Interest rate risk**

Not applicable since the Company doesn't have any borrowings.

(iii) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company does not have any trade receivables as on balance sheet date and hence is not having any counter party risk. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(iv) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Less than 1 year	More than 1 year
Trade payables	6,00,79,518	
Other financial liabilities	2,250	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	Less than 1 year	More than 1 year
Trade payables	5,98,72,788	-
Other financial liabilities	55,669	-

15.2 The company operates in only one segment, i.e., engineering and installation services for installation of offshore platforms and laying of pipes and cables under the sea for the hydrocarbon upstream industry in India. Accordingly, primary and secondary segment reporting is not required.

15.3 The Board of directors are the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the chief operating decision-maker for the purposes of allocating resources and assessing performance. The Company operates in only one segment, i.e., engineering and installation services for installation of offshore platforms and laying of pipes and cables under the sea for the Hydrocarbon Upstream Industry in India. As such, there are no separate reportable segments as per Ind AS 108 'Operating Segments'.

15.4 Disclosures pursuant to Indian Accounting Standard (Ind AS) 12 'Income Taxes':

Reconciliation of Income-tax expense and effective tax rate:

Particulars	2021-22	2020-21
Accounting profit/(loss)before tax	32,224	1,18,102
Applicable tax rate	25.17%	25.17%
Tax on Accounting Profit	8,111	29,727
Less: items leading to lower taxable income		
Utilisation of previously unrecognised tax losses and tax offsets used during the current year to reduce current tax expense	(8,111)	-
Reversal of excess provision for earlier years	(38,298)	0
Tax expense recognised during the year	(38,298)	29,727

15.5 Disclosure of related parties/related party transactions pursuant to Indian Accounting Standard (Ind AS) 24 “Related Party Disclosures”

Names of the related parties with whom transactions were carried out during the year and description of relationship:

Larsen & Toubro Limited*	Ultimate Holding Company and JV partner
Sapura Offshore Sdn Bhd	Fellow Subsidiary of JV Partner

*Refer note no. 15.18

15.6 Disclosure of related party transactions: (Amt in INR)

Particulars	2021-22	2020-21
Infrastructure charges and overhead recoveries		
L&T Hydrocarbon Engineering Limited*	-	1,31,288

Amount due to/from related parties (Amt in INR)

Particulars	As at 31.03.2022	As at 31.03.2021
Accounts payable		
Larsen & Toubro Ltd*	5,33,33,433	-
L&T Hydrocarbon Engineering Limited*	-	5,33,35,368
TL Offshore Sdn Bhd.	66,57,771	64,80,557

*Refer note no. 15.18

15.7 During the year, the Company has not paid any remuneration to its directors.

15.8 Disclosure pursuant to Indian Accounting Standard (Ind AS) 1 “Presentation of financial Statements”

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

Particulars	As at 31.3.2022			As at 31.3.2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Cash and cash equivalent	80,88,059		80,88,059	78,74,591		78,74,591
Other financial assets	59,896	-	59,896	83,877	-	83,877

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date: (Amt in INR)

Particulars	As at 31.3.2022			As at 31.3.2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	6,00,79,518	-	6,00,67,518	5,98,72,788	-	5,98,72,788
Other financial liabilities	2,250	-	2,250	55,669	-	55,669

Auditor's remuneration and expenses charged to accounts:

(Amt in INR)		
Particulars	As at 31 March 2022	As at 31 March 2021
Statutory audit	60,000	50,000
Certification	17,502	21,000
Total	77,502	71,000

15.10 There have been no transactions during the year with Micro, Small and Medium enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

15.11 There are no pending litigations having impact on the financial position of the Company as on balance sheet date.

15.12 There are no amounts which are required to be transferred to the Investor Education and Protection fund by the Company.

15.13 Basic and diluted earnings per share (EPS) calculated in accordance with Accounting Standard 20- "Earning per share"

Particulars	(In Rs)	
	2021-22	2020-21
Basic and diluted:		
Profit after tax	70,522	88,375
Weighted average number of shares outstanding	10,000	10,000
Basic and diluted EPS. (in Rs.)	7.05	8.84

15.14 The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.

15.15 Financial Ratios-

Name of the Ratio	Formula	FY 21-22	FY 20-21	Variance
Current Ratio	Current Asset/ Current Liability	0.14	0.13	2%
Debt Equity Ratio	Total Borrowing / Total Equity	NA	NA	
Debt Service Coverage Ratio	(PBIT) / (Finance cost + Principal repayments made during the period for long term borrowings)	NA	NA	NA
Return on Equity	(Profit after tax / Average Shareholders' Equity) *100	1.40%	1.78%	-21.32%
Trade Receivables turnover ratio	Revenue from operations / Average gross trade receivables	NA	NA	NA
Trade payables turnover ratio	Total Purchases (Manufacturing, construction and operating expenses) / Average Trade Payables	0.00162	0.00145	12%
Net capital turnover ratio	Revenue from operations / Average working capital	NA	NA	NA

Net profit ratio	(Profit after tax / Total Income) *100	22.98%	30.07%	-23.58%
Return on Capital employed	(Profit after tax + Finance Cost (net of tax shield on Finance Cost) / Average Equity + Average Loan funds) *100	1.40%	1.78%	-21%

15.16 Changes in promoters during the year:

S. No.	Promoters name	No. of Shares	% Of total shares	% Change during the Year
1	Larsen & Toubro Limited*	6000	60%	0
2	Nautical Power Pte Ltd	4000	40%	0

*Refer note no. 15.18

15.17 Trade Payables ageing schedule:

As at 31 March 2022

					(Amount in Rs.)
Outstanding for following periods from due date of payment					
Particulars	Less than 1 yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Total
(i) MSME	-	-	-	-	-
(ii) Others	88,314	1,23,901	3,06,595	5,95,60,708	6,00,79,518
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-

As at 31 March 2021

					(Amount in Rs.)
Outstanding for following periods from due date of payment					
Particulars	Less than 1 yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Total
(i) MSME	-	-	-	-	-
(ii) Others	56,863	1,23,901	1,31,316	5,95,60,708	5,98,72,788
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-

15.18 Change in the holding company of the company on account of amalgamation of the L&T Hydrocarbon Engineering Limited with Larsen & Toubro Limited:

During the year under review the National Company Law Tribunal, India the competent authority has approved the Scheme of Amalgamation of L&T Hydrocarbon Engineering Limited (LTHE) with its parent Company Larsen & Toubro Limited (L&T) vide order dated 28th January 2022. The Company is in the process of changing name of its shareholder from LTHE to L&T.

15.19 Figures for the previous year have been regrouped/reclassified wherever necessary.

As per our report attached
Sharp & Tannan
Chartered Accountants
Firm's registration no.109982W

For and on behalf of the board

R. Srivatsan
Director
DIN: 06465912

P. Chivukula
Director
DIN: 07208150

Firdosh D. Buchia
Partner
Membership no.38332
Place:Vadodara
Date: 13th April, 2022

Place: Mumbai
Date: 13th April, 2022