

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 11th Annual Report and Accounts for the year ended 31st March 2021.

FINANCIAL RESULTS:

Summary of Financial Results of the Company is as follows:

Particulars	(Rs. Lakhs)	
	2020-21	2019-20
Turnover	-	-
(Loss)/Profit before Depreciation, Interest, Taxes	1.18	2.64
Less: Depreciation, amortization and obsolescence	-	2.22
(Loss)/Profit before interest & Tax	1.18	0.42
Less: Interest	-	-
(Loss)/Profit before tax	1.18	0.42
Less: Provision for tax	0.29	0.10
(Loss)/Profit after tax from continuing operations	0.88	0.32

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.0.88 Lakhs as against a profit of Rs. 0.32 Lakhs in the previous year.

CAPITAL & FINANCE:

Company has not taken any loan during the year.

CAPITAL EXPENDITURE:

As at March 31, 2021 the gross fixed assets stood at Rs. 13.32 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, 2021. There are no deposits outstanding as of March 31, 2021.

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, 2021.

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, 2021, 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. K. S. Balasubramanyam
2. Mr. Satish N. Palekar
3. Mr. Srivatsan Rajagopalan
4. Mr. C. S. Kole
5. Mr. Reza Bin Abdul Rahim (Mr. Manish Purohit appointed as Alternate Director)
6. Mr. Phanindhar Chivukula

B. Directors appointed/resigned during the year:

Mr. Phanindhar Chivukula vacated the office as an Alternate Director to Mr. Reza Bin Abdul Rahim and Mr. Manish Purohit was appointed as an Alternate Director in his place.

Furthermore, Mr. Phanindhar Chivukula was appointed as an Additional Director w.e.f. January 15, 2021 to hold office upto the date of the ensuing AGM. The notice convening the AGM will include resolution for his appointment.

During the year under review, Mr. Vivek Arora resigned from the Board on 25th November, 2020. The Board of Directors place on record its appreciation for the contribution made by him during his tenure of directorship.

Mr. K. S. Balasubramanyam and Mr. Reza Bin Abdul Rahim 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 Company has held its Board meetings in compliance with the relaxations provided under the MCA Circular dated 24th March 2020. During the year under review three Board meetings were held which were on May 8, 2020; September 23, 2020 and January 15, 2021.

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.

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, 2021, 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.

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.

AUDITORS:

The Auditors, M/s. Sharp & Tannan (S&T), Chartered Accountants, are appointed for a continuous period of five years from the conclusion of the seventh Annual General Meeting till the completion of twelfth Annual General Meeting.

Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company and their appointment would be within the limits as prescribed under Section 141 of the Companies Act, 2013.

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

Director
Satish Palekar
DIN: 07152099

Director
Phanindhar Chivukula
DIN: 07208150

Date: 4th May, 2021
Place: Mumbai

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 2021, 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 2021, 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.

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, 2016 ('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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 16.8 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 16.11 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 16.9 to the financial statements.

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 21038332AAAAMK6654

Mumbai, 4 May 2021

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) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The Company does not have any tangible fixed assets. Accordingly, paragraph 3(i) (b) of the Order is not applicable to the Company; and
- (c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i) (c) of the Order is not applicable to the Company.
- (ii) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii) of the order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion, and 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory and other material statutory dues were in arrears as at 31 March 2021 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, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2021.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) 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.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) 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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Mumbai, 4 May 2021

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 21038332AAAAMK6654

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 2021 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 2021, 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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 21038332AAAAMK6654

Mumbai, 4 May 2021

L&T Sapura Offshore Private Limited
Balance sheet as at March 31, 2021

Particulars	Note	As at 31-03-2021		As at 31-03-2020	
		Rs		Rs	
ASSETS:					
Non- current assets					
Intangible assets	1		1		1
Other non-current assets	2		5,69,46,417		5,78,58,469
Total non-current sssets			5,69,46,418		5,78,58,470
Current assets					
Financial Assets					
Cash and cash equivalent	3	78,74,591		68,36,792	
Other financial assets	4	83,877	79,58,468	11,971	68,48,763
Total current assets			79,58,468		68,48,763
TOTAL ASSETS			6,49,04,886		6,47,07,233
EQUITY AND LIABILITIES:					
EQUITY:					
Equity share capital	5	1,00,000		1,00,000	
Other equity	6	48,76,432		47,88,057	
Total equity			49,76,432		48,88,057
Current liabilities					
Financial liabilities					
Trade Payables	7		5,98,83,577		5,97,95,241
Other current liabilities	8		44,877		33,935
Total current liabilities			5,99,28,454		5,98,29,176
TOTAL EQUITY AND LIABILITIES			6,49,04,886		6,47,17,233
Contingent liabilities	9				
Commitments (Capital and Others)	10				
Notes forming part of the financial statements	1-13				

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

For and on behalf of the Board

Satish Palekar Phanindhar Chivukula
Director Director
DIN: 07152099 DIN: 07208150

Place: Mumbai
Date: 4th May, 2021

Firdosh D. Buchia
Partner
Membership No.: 38332
Place: Mumbai
Date: 4th May, 2021

L&T Sapura Offshore Private Limited
Statement of profit and loss for the year ended March 31, 2021

Particulars	Note no.	01-04-2020 to 31-03-2021		01-04 -2019- to 31-03-2020	
		Rs		Rs	
REVENUE:					
Other income	11		2,93,868		8,89,405
Total Income			2,93,868		-
EXPENSES:					
Manufacturing ,construction and operating expenses:					
Depreciation, amortisation and obsolescence expenses			-		2,22,119
Finance Cost	12		359		-
Other expenses	13		1,75,407		6,24,413
Total expenses			1,75,766		8,46,532
Profit / (loss) before tax			1,18,102		42,873
Tax Expense					
Current tax		29,727		10,000	
Profit for the Year			88,375		32,082
Total Other Comprehensive Income			-		-
Total Comprehensive Income			88,375		32,082
Basic earnings per equity share (Rs)			8.84		3.21
Diluted earnings per equity share (Rs)			8.84		3.21
Face value per equity share (Rs)			10		10
Notes forming part of the financial statements	1-13				
As per our report attached		For and on behalf of the Board			
SHARP & TANNAN					
Chartered Accountants					
Firm's registration no. 109982 W					
By the hand of					
Firdosh D. Buchia		Satish Palekar		Phanindhar Chivukula	
Partner		Director		Director	
Membership No.: 38332		DIN: 07152099		DIN: 07208150	
Place: Mumbai		Place : Mumbai			
Date: 4th May, 2021		Date: 4th May 2021			

L&T SAPURA OFFSHORE PRIVATE LIMITED
Statement of Cash Flows for the year ended Mar 31, 2021

		FY 2020-21	FY 2019-20
		Rs.	Rs.
I. Cash flow from operating activities			
Profit before tax		1,18,102	41,872
<u>Adjustments for:</u>			
Depreciation & ammortisation		-	2,22,119
Provision no longer required			(2,85,688)
Interest income received		-1,22,475	
Operating profit before working capital changes		(4,373)	(21,697)
			1,27,325
(Increase) / decrease in other current assets		-71,906	
(Increase) / decrease in long term loans and advance		(37,370)	39,759
Increase / (decrease) trade payables		1,09,278	5,16,123
Cash (used in) / generated from operations		(4,371)	6,61,510
Direct Taxes (paid)/refund		9,19,695	21,82,709
Net cash (used in) /from operations activities	[A]	9,15,324	28,44,219
II. Cash flow from investing activities			
Interest received		1,22,475	2,85,688
Net cash flow (used in) /from investing activities	[B]	1,22,475	2,85,688
Net cash flow (used in) / from financing activities	[C]	-	-
Net Increase / (decrease) in cash and cash equivalents	[A+B]	10,37,799	31,29,907
Cash and cash equivalents at beginning of the year		68,36,792	37,06,885
Cash and cash equivalents at end of the year		78,74,591	68,36,792

Notes:

1 Statement of cash flows 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 period represents cash and bank balances.

	2020-21	2019-20
a) Cash & cash equivalents disclosed under current assets [Note no. 3]	78,74,591	68,36,792
	-	-

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: 4th May, 2021

For and on behalf of the Board

Satish Palekar Phanindhar Chivukula
Director Director
DIN: 07152099 DIN: 07208150

Place : Mumbai
Date : 4th May , 2021

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

A Share capital:

	Balance as at 01-04-2019	Changes during the year 2019-20	Balance as at 31-03-2020	Changes during the year 20-21	Balance as at 31-03-2021
Equity shares of Rs 10 each	10,000	-	10,000	-	10,000
	10,000	-	10,000	-	10,000

B OTHER EQUITY

<u>Particulars</u>	Profit and loss account
	Rs
Balance as at 01-04-2019	47,55,975
Profit/(loss) for the year	32,082
Balance as at 31-03-2020	47,88,057
Profit/(loss) for the year	88,375
Balance as at 31-03-2021	48,76,432

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

For and on behalf of the Board

Firdosh D. Buchia
Partner
Membership No.: 38332

Satish Palekar Director DIN: 07152099	Phanindhar Chivukula Director DIN: 07208150
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Place: Mumbai
Date: 4th May, 2021

Place: Mumbai
Date: 4th May, 2021

NOTES FORMING PART OF ACCOUNTS

1 Intangible assets

	Gross block				Accumulated depreciation			Net block	
	As at 01-04-2020	Additions	Disposals during the year	As at 31-03-2021	As at 01-04-2020	Depreciation charge for the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
	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	2,22,120
Total	13,32,716	-		13,32,716	13,32,715	-	13,32,715	1	2,22,120

NOTES FORMING PART OF ACCOUNTS

2 Other non-current assets

		As at 31-03-2021		As at 31-03-2020
		Rs		Rs
Long term advances receivable				
GST receivable		5,69,46,417		5,69,09,047
Income-tax prior years		-		9,31,713
Income-tax current year		-		17,709
		5,69,46,417		5,78,58,469

NOTES FORMING PART OF ACCOUNTS

3 Cash and bank balances

		As at 31-03-2021		As at 31-03-2020
		Rs		Rs
Cash and cash equivalents				
Balances with bank - current accounts		74,591		60,86,792
Bank fixed deposit - less than 3 months		78,00,000		7,50,000
Total		78,74,591		68,36,792
4 Other Financial assets		As at 31-03-2021		As at 31-03-2020
		Rs		Rs
Interest accrued on FD		83,877		11,971
Total		83,877		11,971

NOTES FORMING PART OF ACCOUNTS

5 Share Capital

5(I) Share Capital Authorised, Issued & Subscribed

	As at 31-03-2021		As at 31-03-2020	
	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	2020-21		2019-20	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Subscribed and 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 and fully paid-up at the end of the year	10,000	1,00,000	10,000	1,00,000

Change year

5(III) Shareholders holding more than 5% of equity shares as at the end of the year

L&T Hydrocarbon Engineering Limited	6,000	60%	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.

NOTES FORMING PART OF ACCOUNTS

6 Other equity

<u>Particulars</u>	As at 31-03-2021	As at 31.03.2020
	Rs	Rs
Profit and loss account	48,76,432	47,88,057
Total	48,76,432	47,88,057

NOTES FORMING PART OF ACCOUNTS

Financial Liabilities

7 Current - Trade payables

<u>Particulars</u>		As at 31-03-2021		As at 31-03-2020
		Rs		Rs
Due to related parties				
Larsen & Toubro Limited	11,49,730		10,18,854	
L&T Hydrocarbon Engineering Limited	5,21,85,638		5,21,83,138	
TL Offshore Sdn Bhd	64,80,557	5,98,15,925	65,23,049	5,97,25,041
Due to MSME Vendors	-		-	
Supplier ledger balances	7,652		10,200	
Liability for Services	60,000	67,652	60,000	70,200
		5,98,83,577		5,97,95,241

8 Other Financial Liabilities

<u>Particulars</u>		As at 31-03-2021		As at 31-03-2020
		Rs		Rs
Income Tax Payable		29,727		10,000
TDS payable		15,150		23,935
Total Other Financial Liabilities		44,877		33,935

9 Contingent Liabilities

There are no contingent liabilities as at 31st March 2021.

10 Commitments

There are no commitments as at 31st March 2021.

NOTES FORMING PART OF ACCOUNTS

11 Other Income

		01-04-2020 to 31-03-2021		01-04 -2019- to 31-03-2020
Interest on income-tax refund		1,71,393		6,03,717
Interest on Fixed Deposit		1,22,475		2,85,688
Total		2,93,868		8,89,405

NOTES FORMING PART OF ACCOUNTS

12 Finance Cost

	01-04-2020 to 31-03-2021	01-04 -2019- to 31- 03-2020
	Rs	Rs
Interest Cost	359	-
Total	359	-

13 Other Expenses

	01-04-2020 to 31-03-2021	01-04 -2019- to 31- 03-2020
	Rs	Rs
Bank charges	17	3,582
Rates & taxes	2,500	2,500
Professional fees	13,096	41,093
Auditors' remuneration	71,000	45,000
Foreign exchange (gain)/loss	(42,494)	3,26,868
Overhead charged by Parent	1,31,288	2,05,370
Total	1,75,407	6,24,413

L&T Sapura Offshore Private Limited

14. General Information

L&T Sapura Offshore Private Limited (LTSOPL) is a joint venture between Limited L&T Hydrocarbon Engineering Limited and Sapura Energy Berhad, Malaysia (Sapura) who has invested through its wholly owned subsidiary Nautical Power Pte Limited, Singapore (Nautical). L&T Hydrocarbon Engineering 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.

15. SIGNIFICANT ACCOUNTING POLICIES

15.1 Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of section 133 read with sub-section (1) of section 210A of the Companies Act, 1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

These financial statements have been approved for issue by the Board of Directors at their meeting held on April 20, 2021.

15.2 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 recognised in the period in which the results are known.

15.3 Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared and presented in the format prescribed in the 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.

15.4 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.

15.5 Revenue recognition

(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 accrual basis

15.6 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.

15.7 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.

15.8 Intangible assets and amortization

Intangible assets are recognised 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

amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. The estimated useful life of asset is 6 years.

15.9 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.

15.10 Financial instruments:

Financial assets and/or financial liabilities are recognised when the entity becomes party to a contract embodying the related financial instruments.

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 realise the asset and settle the liability simultaneously.

15.10.1 Financial assets

i. Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised 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 recognised 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
- 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 recognised in profit or loss.

15.10.2 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 amortised cost.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

15.11 Cash and bank balances

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank, demand deposits with banks.

15.12 Taxes on income

Tax on income for the current year is determined on the basis of taxable income 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 is recognised on timing differences between the income accounted in financial statement and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets relating to unabsorbed depreciation / business losses / losses under the head "Capital Gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

15.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of - estimation, if

- A) the Company has a present obligation as a result of a past event,
 - B) a probable outflow of resources is expected to settle the obligation and
 - C) the amount of the obligation can be reliably estimated.
- 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:
- A) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
 - B) a present obligation arising from past events when no reliable estimate is possible;
- Contingent assets are neither recognised nor disclosed.
- Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

15.14 Cash flow statement

Cash flow statement 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.

15.15 Earnings per equity share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

15.16 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.

16. Notes to the standalone financial statements for the year ended March 31, 2020

16.1 Financial instruments by category:

Particulars	(Amt in INR)	
	As at 31-03-2021	As at 31-03-2020
Measured at amortised cost		
Financial assets		
Trade receivables		-
Cash and cash equivalent	78,54,591	68,36,792
Other financial Assets	83,877	11,971
Total financial assets	79,58,468	68,48,763
Financial liabilities		
Trade payables	5,98,83,577	5,97,95,241
Other financial Liabilities	44,877	23,935
Total financial liabilities	5,99,28,454	5,98,19,176

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	2020-21	2019-20
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:		
(i) Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	(42,494)	3,26,868
Total	(42,494)	3,26,868

Financial risk management

Financial risk factors

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

(i) Foreign currency risk

The following table analyzes foreign currency risk from financial instruments as of March 31, 2021 and March 31,2020:

Particulars	March 31, 2021	March 31, 2020
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.

(ii) 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.

(iii) 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, 2021:

Particulars	Less than 1 year	More than 1 year
Trade payables	5,98,83,577	-
Other financial liabilities	44,877	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Less than 1 year	More than 1 year
Trade payables	5,97,95,241	-
Other financial liabilities	23,935	-

16.2 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.

16.3 Disclosures pursuant to Indian Accounting Standard (Ind AS) 12 "Income Taxes":

16.3.1 Reconciliation of Income-tax expense and effective tax rate:

Particulars	2020-21	2019-20
Accounting profit /(loss) before tax	1,18,102	42,873
Applicable tax rate	25.17%	25.17%
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	-	-
Gross tax liability	29,727	10,791
Add: MAT credit entitlement	-	-
Net tax liability	29,727	10,791
Effective tax rate	25.17%	25.17%

16.4 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 of JV Partner
L&T Hydrocarbon Engineering Limited	JV Partner
Sapura Offshore Sdn Bhd	Fellow Subsidiary of JV Partner

16.4.1 Disclosure of related party transactions:

(Amt in INR)

Particulars	2020-21	2019-20
Infrastructure charges and overhead recoveries		
Larsen & Toubro Limited	1,31,288	2,05,369

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

Particulars	As at 31.03.2021	As at 31.03.2020
Accounts payable		
L&T Hydrocarbon Engineering Limited	5,21,85,638	5,21,83,138
Larsen & Toubro Ltd.	11,49,730	10,18,854
TL Offshore Sdn Bhd.	64,80,557	65,23,049

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

16.5 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 31.3.2021			As at 31.3.2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade receivable	-	-	-	-	-	-
Cash and cash equivalent	78,74,591		78,74,591	68,36,792		68,36,792
Other financial assets	83,877	-	83,877	11,971	-	11,971
Other current Assets	-	-	-	-	-	-

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

(Amt in INR)

Particulars	As at 31.3.2021			As at 31.3.2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	5,98,83,577	-	5,98,83,577	5,97,95,241	-	5,97,95,241
Other financial liabilities	44,877	-	44,877	23,935	-	23,935

16.6 Auditor's remuneration and expenses charged to accounts:

(Amt in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory audit	50,000	50,000
Tax audit	-	(15,000)
Certification	10,000	10,000
GST Audit	11,000	
Total	71,000	45,000

16.7 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.

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

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

16.10 Basic and diluted earnings per share (EPS) calculated in accordance with Accounting Standard 20- “Earning per share”

Particulars	(In Rs)	
	2020-21	2019-20
Basic and diluted:		
Profit after tax	88,375	32,082
Weighted average number of shares outstanding	10,000	10,000
Basic and diluted EPS. (in Rs.)	8.84	3.21

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

16.12 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

Firdosh D. Buchia
Partner
Membership no.38332
Place:
Date: May 4, 2021

For and on behalf of the board



SATISH PALEKAR
Director
DIN: 07152099



PHANINDHAR CHIVUKULA
Director
DIN: 07208150

Place:Mumbai

Date: May 4, 2021