

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 10th Annual Report and Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS:

Summary of Financial Results of the Company is as follows:

Particulars	(Rs. Lakhs)	
	2019-20	2018-19
Turnover	-	-
(Loss)/Profit before Depreciation, Interest, Taxes	2.26	(22.52)
Less: Depreciation, amortization and obsolescence	2.22	2.22
(Loss)/Profit before interest & Tax	0.04	(23.96)
Less: Interest	0	1.44
(Loss)/Profit before tax	0.04	(26.18)
Less: Provision for tax	0.01	0.36
(Loss)/Profit after tax from continuing operations	0.03	(26.54)

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. 0.03 Lakhs as against a loss of Rs. 26.54 lakhs in the previous year.

CAPITAL & FINANCE:

Company has not taken any loan during the year.

CAPITAL EXPENDITURE:

As at March 31, 2020 the gross fixed assets stood at Rs. 13.32 Lakhs and the net fixed at Rs. 2.22 Lakhs. 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, 2020. There are no deposits outstanding as of March 31, 2020.

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, 2019.

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, 2020, Nil 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. Reza Bin Abdul Rahim (Mr. Phanindhar Chivukula appointed as Alternate Director)
2. Mr. Vivek Arora
3. Mr. K. S. Balasubramanyam
4. Mr. Satish N. Palekar
5. Mr. Srivatsan Rajagopalan
6. Mr. C. S. Kole

B. Directors appointed/resigned during the year:

Mr. Satish Palekar and Mr. C. S. Kole 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. During the year under review four Board meetings were held which were on April 29, 2019; July 25, 2019; October 18, 2019 and January 14, 2020.

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, 2020, 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 roll.

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.

EXTRACT OF ANNUAL RETURN:

As per provision of Section 92(3) of the Companies Act, 2013, an extract of the annual return is attached as Annexure A to this report.

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

Date: May 08, 2020
Place: Mumbai

Sd/-
Director
S.N. Palekar
DIN: 07152099

Sd/-
Director
Phanindhar Chivukula
(Alternate to Director -
Mr. Reza Rahim)
DIN: 07143258

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2020**

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

I. REGISTRATION AND OTHER DETAILS:

i)CIN	U11200TN2010PTC077214
ii)Registration Date	September 2, 2010
iii)Name of the Company	L&T Sapura Offshore Pvt Ltd
iv)Category	Private Limited
v)Sub-Category of the Company	Joint Venture
vi)Address of the Registered office and contact details	Mount Poonamallee Road P.O. Box 979, Manapakkam, Chennai Tamil Nadu, India 600089. Tel: 022-67053461 email rahul.sinnarkar@larsentoubro.com
vii)Whether listed company	No
viii)Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4 th floor, trade world, a wing, times tower, Kamala mills compound, Lower Parel, Mumbai, Maharashtra 400 013 Contact: 91-22-49142700

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Engineering & Installation Services in Oil & Gas Exploration	112	100%

a) NRIs - Individuals							
b) Other – Individuals							
c) Bodies Corp.	4000	4000	40%		4000	4000	40%
d) Banks / FI							
e) Any Other....							
Sub-total (A) (2):-	4000	4000	40%		4000	4000	40%
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	10000	10000	100%		10000	10000	100%
B Public Shareholding							
1.Institutions							
a) MutualFunds							
b) Banks / FI							
c) Central Govt							
d) State Govt(s)							
e) Venture Capital Funds							
f) Insurance Companies							
g) FIIs							
h) Foreign Venture Capital Funds							
Sub-total (B)(1):-	-	-	-		-	-	-
2. Non- Institutions							
a) Bodies Corp.							
i) Indian							
ii) Overseas							
b)Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh							

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh								
c) Others (specify)								
Sub-total (B)(2):-		-	-	-		-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)		-	-	-		-	-	-
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)		10000	10000	100%		10000	10000	100%

(ii) Shareholding of Promoters

Sl	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the beginning of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	L&T Hydrocarbon Engineering Limited*	6000	0.6	-	6000	60%	-	NIL
2	Sapura Nautical Power Pte Ltd	4000	0.4	-	4000	40%	-	NIL
	Total	10000	100%	-	10000	100%	-	

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

No change in shareholding during the year under review

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

Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the End of the year				

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL			
ii) Interest due but not paid	NIL			
iii) Interest accrued but not due	NIL			
Total (i+ii+iii)				
Changes In Indebtness during the financial year				
Additioin	NIL			
Reduction	NIL			
Net Change				
Indebtnes at the end of financial year				
i)Principle Amount	NIL			
ii)Interest due but not paid	NIL			
iii)Interest accrued but not due	NIL			

Total(i+ii+iii)		
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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission - as % of profit - others, specify...						
5	Others, please specify						
	Total (A)						
	Ceiling as per the Act						

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	NIL					
	· Fee for attending board / committee meetings						
	· Commission						
	· Others, please specify						
	Total (1)						
2	Other Non-Executive Directors	NIL					
	· Fee for attending board / committee meetings						
	· Commission						
	· Others, please specify						
	Total (2)						
	Total (B)=(1+2)						

C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
		NIL			
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				

4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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 2020, 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 2020, 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 3.8 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 3.11 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 3.9 to the financial statements.

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

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAM5934

Mumbai, 8 May 2020

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 physical verification of fixed assets has been carried out by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification; 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 2020 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 2020.

- (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 material 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, 8 May 2020

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAM5934

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 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting 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 2020, 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

Mumbai, 8 May 2020

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAJM5934

L&T Sapura Offshore Private Limited
Balance sheet as at March 31, 2020

Particulars	Note	As at 31-03-2020		As at 31-03-2019	
		Rs	Rs	Rs	Rs
ASSETS:					
Non- current assets					
Intangible assets	1		1		2,22,120
Other non-current assets	2		5,78,58,469		6,00,90,727
Total Non Current Assets			5,78,58,470		6,03,12,847
Current assets					
Financial Assets					
Cash and cash equivalent	3	68,36,792		37,06,885	
Other financial assets	4	11,971	68,48,763	1,37,329	38,44,214
Other Current Assets	5		-		1,967
Total Current Assets			68,48,763		38,46,181
TOTAL ASSETS			6,47,07,233		6,41,59,028
EQUITY AND LIABILITIES:					
EQUITY:					
Equity Share Capital	6	1,00,000		1,00,000	
Other equity	7	47,88,057		47,55,975	
Total Equity			48,88,057		48,55,975
LIABILITIES:					
Non Current Liabilities					
Deferred Tax Liability					-
Current Liabilities					
Financial liabilities					
Trade payables	8	5,97,95,241		5,92,95,553	
Other Financial Liabilities	9	23,935	5,98,19,176	7,500	5,93,03,053
Total Current Liabilities			5,98,19,176		5,93,03,053
TOTAL EQUITY AND LIABILITIES			6,47,07,233		6,41,59,028

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

Firdosh D. Buchia
Partner
Membership No.: 38332
Place: **Mumbai**
Date: **May 08, 2020**

For and on behalf of the Board

Satish Palekar
Director
DIN: 07152099
Place: **Mumbai**

Date: **May 08, 2020**

Phanindhar Chivukula
Director
DIN: 07208150

L&T Sapura Offshore Private Limited
Statement of profit and loss for the year ended March 31, 2020

Particulars	Note no.	01-04-2019 to 31-03-2020		01-04 -2018 to 31-03-2019	
		Rs		Rs	
REVENUE:					
Other income	11		8,89,405		4,77,833
Total Income			8,89,405		4,77,833
EXPENSES:					
Manufacturing ,construction and operating expenses:					
Finance costs	12		-		1,44,080
Depreciation, amortisation and obsolescence expenses			2,22,119		2,22,119
Other expenses	13		6,24,413		27,29,922
Total expenses			8,46,532		30,96,121
Profit / (loss) before tax			42,873		(26,18,288)
Tax expenses:					
Current tax		10,791		-	
Deferred tax		-		36,257	
Profit for the period			10,791		36,257
			32,082		(26,54,545)

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982 W

By the hand of

Firdosh D. Buchia

Partner

Membership No.: 38332

Place: **Mumbai**

Date: **May 08, 2020**

For and on behalf of the Board

Satish Palekar

Director

DIN: 07152099

Place: **Mumbai**

Date: **May 08, 2020**

Phanindhar Chivukula

Director

DIN: 07208150

L&T SAPURA OFFSHORE PRIVATE LIMITED
Cash flow statement for the year ended March 31, 2020

		FY 2019-20	FY 2018-19
		Rs.	Rs.
I. <u>Cash flow from operating activities</u>			
Profit before tax		42,873	-26,18,288
<u>Adjustments for:</u>			
Depreciation & ammortisation		2,22,119	2,22,119
Provision no longer required			
Interest income received		(2,85,688)	(2,51,701)
Operating profit before working capital changes		(20,696)	(26,47,870)
(Increase) / decrease in other current assets		11,967	(11,967)
(Increase) / decrease in long term loans and advance		(31,843)	23,89,629
Increase / (decrease) trade payables		5,16,123	(1,42,339)
Cash (used in) / generated from operations		4,75,551	(4,12,547)
Direct Taxes (paid)/refund		22,53,310	38,243
Net cash (used in) /from operations activities	[A]	27,28,861	(3,74,304)
II. <u>Cash flow from investing activities</u>			
Interest received		4,01,046	1,24,372
Net cash flow (used in) /from investing activities	[B]	4,01,046	1,24,372
Net cash flow (used in) / from financing activities	[C]	-	-
Net Increase / (decrease) in cash and cash equivalents	[A+B]	31,29,907	(2,49,932)
Cash and cash equivalents at beginning of the year		37,06,885	39,56,817
Cash and cash equivalents at end of the year		68,36,792	37,06,885

Notes:

- 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.
- Cash and Cash equivalents at end of the period represents cash and bank balances.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Previous Year figures have been regrouped / reclassified wherever applicable.

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
Place: Mumbai
Date: May 08, 2020

Satish Palekar
Director
DIN: 07152099
Place: **Mumbai**
Date: **May 08, 2020**

Phanindhar Chivukula
Director
DIN: 07208150

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

A Share Capital:

	Balance as at 01-04-2018	Changes during the year 2018-19	Balance as at 31-03-2019	Changes during the year 2019- 20	Balance as at 31-03-2020
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 & Loss Account
	Rs
Balance as at 01-04-2018	74,10,520
Profit/(Loss) for the year	(26,54,545)
Balance as at 31-03-2019	47,55,975
Profit/(Loss) for the year	32,082
Balance as at 31-03-2020	47,88,057

For and on behalf of the Board

Satish Palekar

Director
DIN: 07152099

Place: **Mumbai**

Date: **May 08, 2020**

Phanindhar Chivukula

Director
DIN: 07208150

NOTES FORMING PART OF ACCOUNTS

1 Prpoerty Plant & Equipment

1 Intangible Assets

	Gross Block				Accumulated Depreciation			Net Block	
	As at 01-04-2019	Additions	Disposals for the year	As at 31-3-2020	As at 01-04-2019	Depreciation charge for the year	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Intangible assets	-					-			
Software	13,32,716	-		13,32,716	11,10,596	2,22,119	13,32,715	1	2,22,120
Total	13,32,716	-		13,32,716	11,10,596	2,22,119	13,32,715	1	2,22,120

2 Other Non Current Assets

		As at 31-03-2020		As at 31-03-2019
		Rs		Rs
Long term advances receivable				
GST Receivable		5,69,09,047		5,68,59,495
Income Tax prior years		9,31,713		32,19,046
Income Tax current year		17,709		12,186
		5,78,58,469		6,00,90,727

NOTES FORMING PART OF ACCOUNTS

3 Cash and Bank Balances

		As at 31-03-2020		As at 31-03-2019
		Rs		Rs
Cash & Cash equivalents				
Balances with Bank Current Accounts		60,86,792		56,885
Bank Fixed deposit - Less than 3 months		7,50,000		36,50,000
Total		68,36,792		37,06,885

4 Other Financial Assets

		As at 31-03-2020		As at 31-03-2019
		Rs		Rs
Security Deposit with NSDL		-		10,000
Interest accrued on FD		11,971		1,27,329
Total		11,971		1,37,329

5 Other Current Assets

		As at 31-03-2020		As at 31-03-2019
		Rs		Rs
Advance given to NSDL		-		1,967
		-		1,967

NOTES FORMING PART OF ACCOUNTS

7 Share Capital

7(I) Share Capital Authorised, Issued & Subscribed

	As at 31-03-2020		As at 31-03-2019	
	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

7(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

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

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %
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

8 Other Equity

<u>Particulars</u>	As at 31-03-2020	As at 31.03.2019
	Rs	Rs
Profit & Loss Account	47,88,057	47,55,975
Total	47,88,057	47,55,975

NOTES FORMING PART OF ACCOUNTS

Financial Liabilities

9 Current - Trade payables

<u>Particulars</u>		As at 31-03-2020		As at 31-03-2019
		Rs		Rs
Due to related parties				
Larsen & Toubro Limited	10,18,854		8,39,485	
L&T Hydrocarbon Engineering Limited	5,21,83,138		5,21,80,888	
TL Offshore Sdn Bhd	65,23,049	5,97,25,041	61,96,180	5,92,16,553
Supplier ledger balances	10,200		4,000	
Liability for Services	60,000	70,200	75,000	79,000
		5,97,95,241		5,92,95,553

10 Other Financial Liabilities

<u>Particulars</u>		As at 31-03-2020		As at 31-03-2019
		Rs		Rs
TDS payable		23,935		7,500
Total		23,935		7,500

NOTES FORMING PART OF ACCOUNTS

11 Other Income

		01-04-2019 to 31-03-2020		01-04 -2018 to 31-03-2019
		Rs		Rs
Interest on Fixed Deposit		2,85,688		4,77,833
Interest on IT Refund		6,03,717		
Total		8,89,405		4,77,833

NOTES FORMING PART OF ACCOUNTS

12 Finance Cost

	01-04-2019 to 31-03-2020	01-04 -2018 to 31-03-2019
	Rs	Rs
Others	-	1,44,080
Total	-	1,44,080

13 Other Expenses

	01-04-2019 to 31-03-2020	01-04 -2018 to 31-03-2019
	Rs	Rs
Bank charges	3,582	4,761
Rates & taxes	2,500	24,20,338
Professional fees	2,34,496	69,744
Audit fees	45,000	1,04,650
Foreign exchange (gain)/loss	3,26,868	1,30,429
Other Expenses	11,967	-
Total	6,24,413	27,29,922

L&T Sapura Offshore Private Limited

1. General Information

L&T Sapura Offshore Private Limited (LTSOPL) is a joint venture between 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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 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 May 08, 2020.

2.2 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.

2.3 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.

2.4 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.

2.6 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

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.11.1 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.

2.11.2 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

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

3.1 Financial instruments by category:

(Amt in INR)

Particulars	As at 31-03-2020	As at 31-03-2019
Measured at amortised cost		
Financial assets		
Trade receivables		-
Cash and cash equivalent	68,36,792	37,06,885
Other financial Assets	11,971	1,37,329
Total financial assets	68,48,763	38,44,214
Financial liabilities		
Trade payables	5,97,95,241	59,295,553
Other financial Liabilities	23,935	7,500
Total financial liabilities	5,98,19,176	5,93,03,053

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	2019-20	2018-19
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.)	3,26,868	1,30,429
Total	3,26,868	1,30,429

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, 2020 and March 31, 2019:

Particulars	March 31, 2020	March 31, 2019
Financial liabilities		
Trade payables (MYR)	2,49,411	2,49,411
Trade payables (USD)	28,500	28,500

5% appreciation/depreciation INR with respect to respective foreign currencies of the Company would result in decrease/increase in the Company's net income before tax by approximately Rs. 3,26,148 for the year ended March 31, 2020.

5% appreciation/depreciation INR with respect to respective foreign currencies of the Company would result in decrease/increase in the Company's net income before tax by approximately Rs. 3,09,797 for the year ended March 31, 2019.

(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, 2020:

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

The table below provides details regarding the contractual maturities of significant financial liabilities as

of March 31, 2019:

Particulars	Less than 1 year	More than 1 year
Trade payables	5,92,95,553	-
Other financial liabilities	7,500	-

3.2 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.

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

3.3.1 Major components of deferred tax are as under:

Particulars	Deferred tax liabilities/ (assets) as on 31-03-2019	Charge/(credit) to statement of profit and loss	Deferred tax liabilities/ (assets) as on 31-03-2020
Deferred tax Liabilities:			
Difference in book and IT depreciation	-	-	-
Deferred tax assets:			
Difference in book and IT depreciation	-	-	-
Net deferred tax liability/(assets)	-	-	-

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

Particulars	2019-20	2018-19
Accounting profit /(loss)before tax	42,873	(26,18,288)
Applicable tax rate	25.17%	26%
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	10,791	-
Add: MAT credit entitlement	-	-
Net tax liability	10,791	-
Effective tax rate	25.17%	-

3.3.3 Temporary difference on certain items for which deferred tax liabilities/(asset) have not been recognized as on 31.03.2020:

Particulars	Base amount	Deferred tax
Tax losses (revenue in nature) (business loss on which no tax asset is created)	4,01,48,293	1,01,05,325
Other deductibles	-	-

3.4 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:

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

Particulars	2019-20	2018-19
Infrastructure charges and overhead recoveries		
Larsen & Toubro Limited	2,05,369	1,48,721

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

Particulars	As at 31.03.2020	As at 31.03.2019
Accounts payable		
L&T Hydrocarbon Engineering Limited	5,21,83,138	5,21,80,888
Larsen & Toubro Ltd.	10,18,854	8,39,485
TL Offshore Sdn Bhd.	65,23,049	61,96,182

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

3.5 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 31.3.2020			As at 31.3.2019		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade receivable	-	-	-	-	-	-
Cash and cash equivalent	68,36,792		68,36,792	37,06,885	-	37,06,885
Other financial assets	11,971	-	11,971	1,37,329		1,37,329
Other current Assets	-	-	-	1,967	-	1,967

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

(Amt in INR)

Particulars	As at 31.3.2020			As at 31.3.2019		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	5,97,95,241	-	5,97,95,241	5,92,95,553	-	5,92,95,553
Other financial liabilities	23,935	-	23,935	7,500	-	7,500

3.6 Auditor's remuneration and expenses charged to accounts:

(Amt in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory audit	50,000	50,000
Tax audit	(15,000)	25,000
Certification	10,000	29,650
Reimbursement of expenses		-
Total	45,000	104,650

3.7 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.

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

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

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

Particulars	2019-20	2018-19
Basic and diluted:		
Profit after tax	32,082	(26,54,545)
Weighted average number of shares outstanding	10,000	10,000
Basic and diluted EPS. (in Rs.)	3.21	(265.45)

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

3.12 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

For and on behalf of the board

Firdosh D. Buchia
 Partner
 Membership no.38332
 Place: Mumbai
 Date: May 08, 2020

Satish Palekar
 Director
 DIN: 07152099
 Place: **Mumbai**
 Date: **May 08, 2020**

Phanindhar Chivukula
 Director
 DIN: 07208150