

## **SPECIAL ECONOMIC ZONE**

### **SEEPZ-SEZ.**

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### **AGENDA**

**Meeting of the Unit Approval Committee of Special Economic Zone for IT/ITES of M/s. Festus Properties Pvt. Ltd. - SEZ (Formerly known as M/s. HGP Community Pvt. Ltd. - SEZ.)**

**VENUE : Conference Hall, BFC Building, 2<sup>nd</sup> Floor, Behind the Office of the Development Commissioner, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096.**

**DATE : Friday, 2<sup>nd</sup> August, 2019**

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**Meeting of the Unit Approval Committee of Special Economic Zone for IT/ITES of M/s. Festus Properties Pvt. Ltd. – SEZ (Formerly known as M/s. HGP Community Pvt. Ltd. – SEZ) under the Chairmanship of Development Commissioner, SEEPZ-SEZ on Friday, 2<sup>nd</sup> August, 2019.**

**INDEX**

<b>Agenda Item No.</b>	<b>Subject</b>
<b>Agenda Item No. 01 : -</b>	Application for setting up a new unit – M/s. L&T Hydrocarbon Engineering Limited at Festus - SEZ.

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July 22, 2019

To,  
The Development Commissioner  
SEEPZ Special Economic Zone  
Andheri (E), Mumbai-400096  
Maharashtra

2314

Mr. Sh.

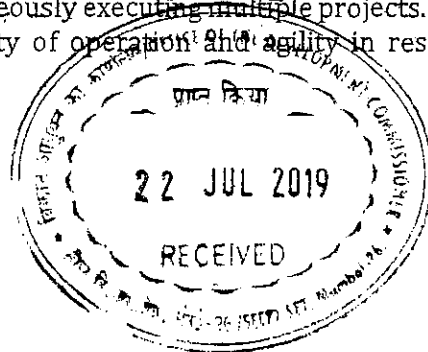
Subject: Application for setting up a new SEZ unit for Information Technology and Information Technology Enabled Services in the nature of Engineering and Design Services (CPC-8672) over an area admeasuring to 41,211 Sqft at 1103 and 1104, Wing A, 11<sup>th</sup> floor, Kensington, Festus Properties Private Limited-SEZ (Formerly known as HGP Community Pvt Ltd - SEZ), Powai Business District, Technology Street, Powai, Mumbai 400076.

Dear Sir,

**Background:**

We, L&T Hydrocarbon Engineering Limited ("L&T") is a public limited company incorporated on 2<sup>nd</sup> April 2009. It is wholly owned subsidiary of Larsen & Toubro Limited. L&T Hydrocarbon Engineering delivers design-to-build world-class solutions for oil & gas processing, petroleum refining, chemicals & petrochemicals and fertilizer sectors. In-house expertise and experience, synergized with strategic partnerships enable us to deliver a single point solution for every phase of a project – from front-end design through engineering, fabrication, project management, construction and installation right up to commissioning. The key aspects of our business philosophy are, on-time delivery, cost competitiveness, high quality standards with focus on best in class HSE and IT security practices. Integrated strengths coupled with experienced and highly skilled work force, are the key enablers in delivering critical and complex projects. Over the years, we have garnered a reputation for simultaneously executing multiple projects. We believe in an attitude and approach that allow for flexibility of operation and agility in response. The business is structured into the following verticals:

1. Onshore
2. Offshore
3. Construction Services
4. Modular Fabrication
5. Engineering Services



**Services proposed to be carried from SEZ unit:-**

Sr. No.	Proposed Services	Write-Up on the Services
1	Information Technology and Information Technology Enabled Services in the nature of Engineering	L&T Hydrocarbon Engineering offers comprehensive solutions covering the entire spectrum of engineering across the oil & gas value chain. World-class engineering expertise and resources is backed by the rich experience of executing large-scale EPC projects over several decades. Direct engineering services are provided to a diverse clientele that includes global owner operators of hydrocarbon processing facilities, engineering consultants and EPC contractors.

Tel: +91 22 6752 5656 Fax: +91 22 6752 5693 www.Lnhydroccarbon.com  
Registered Office: L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001, INDIA  
CIN: U11200MH2009PLC191426

A wholly owned subsidiary of Larsen & Toubro Limited

31298  
23/07/19

<p><b>and Design Services (CPC-8672)</b></p>	<p>These services include Concept, FEED, Detailed Engineering, Procurement Engineering, yard support, installation engineering support and Project Management Consulting services across the value chain of upstream oil &amp; gas projects and field developments spanning diverse lines of business like Well head &amp; Process platforms, FPSO Topsides, Pipeline systems and Drilling Rigs.</p> <p>The company delivers comprehensive solutions encompassing Design &amp; Engineering, Concept &amp; Basic studies, Advanced engineering Solutions, end-to-end Project Management, Strategic Project Delivery, Modularization, Asset Management and Turnaround Services, Detailed Engineering services and Engineering for special Applications (such as reformers, cryogenic systems and modular solutions) to its Indian and International clients in the Hydrocarbon industry</p> <p><b>Conceptual Studies &amp; Basic Engineering</b> We provide basic engineering design services for Wellhead Platforms, Water/Gas Injection Platforms, Offshore/Onshore Process Facilities.</p> <p><b>Front End Engineering and Design (FEED)</b> Our FEED capabilities enable us to offer innovative solutions in process simulation, process design, design optimisation and performance guarantees</p> <p><b>Advanced Engineering</b> Our advanced engineering solutions extend across key technology domains such as Process, Energy &amp; Environmental, Mechanical, Materials &amp; Corrosion and Offshore Engineering.</p> <p><b>Detailed Engineering</b> We offer end-to-end detail engineering solutions and project management services for Oil &amp; Gas industry, Gas Processing, Refineries, Petrochemicals, Fertilizers and Cross -country Pipelines.</p> <p><b>Offshore Engineering Centre</b> Offshore Engineering Centre - formerly L&amp;T-Valdel Engineering Limited (LTV) - provides a complete range of engineering services for oil and gas projects</p>
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**Proposal:**

Considering future business requirement and looking at growth prospects in this sector, our management has decided to set up SEZ unit for **Information Technology and Information Technology Enabled Services** in the nature of **Engineering and Design Services (CPC-8672)** over an area admeasuring to **41,211 Sqft at 1103 and 1104, Wing A, 11<sup>th</sup> floor, Kensington, Festus Properties Private Limited-SEZ (Formerly known as HGP Community Pvt Ltd - SEZ), Powai Business District, Technology Street, Powai, Mumbai 400076.**

1. Demand Draft of Rs. 5000/- in Favor of "The Pay & Accounts Officer, SEEPZ-SEZ" Payable at Mumbai;
2. Application in the form prescribed 'F' with undertaking duly signed;
3. Financial projections for next 5 years including cost of the project, means of finance, P&L, Cash Flow statement, Balance sheet and Foreign Exchange Balance sheet etc;



4. Detailed Project report covering Company Profile, Directors profile, Product profile and proposed SEZ Unit details;
5. List of Imported & Indigenous Capital goods;
6. Affidavit of signatory duly notarized on Rs. 100 stamp paper;
7. Undertaking for Pollution Control;
8. Letter of Intent with the Developer;
9. Rule 5A Infrastructure confirmation letter;
10. PAN Card copy of the company;
11. Copy of Power of Attorney/board resolution authorizing setting up of SEZ Unit;
12. Letter mentioning Web Address & E-mail ID;
13. Letter for Marketing tie up/Buyback plan;
14. List of directors with details such as address, contact details etc;
15. List of shareholders along with Declaration w.r.t Authorized Capital;
16. Copy of IEC Code of the company;
17. Copy of Incorporation certificate along with MOA and AOA;
18. Copy of Residential Proof & Identity Proof of directors;
19. Copy of Residential Proof & Identity Proof of Authorized signatory;
20. Copy of Last three years Income tax returns with Audited Balance Sheet of the company;
21. Copy of status and Details of Disputes pending with various tax authorities as per qualification in Auditor report;

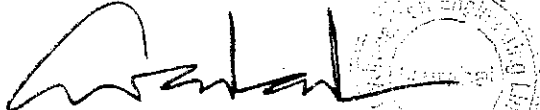
It would be our pleasure to furnish any additional information that you may require with reference to above. In view of the above, we hereby request your good office to consider our application for the next UAC meeting and grant us approval.

**For L&T Hydrocarbon Engineering Limited**

**Mr. R. Srivatsan**

**Executive Vice president and Head- Middle East and Saudi LTA (offshore)**

**For L&T Hydrocarbon Engineering Limited**

  
**Mr. R. Srivatsan**

**Executive Vice president and Head**

**Middle East and Saudi LTA (Offshore)**

Dt:

Place:

*AL*

**Form - F****CONSOLIDATED APPLICATION FORM for - SETTING UP A UNIT IN SEZ**

(See rule 17)

1. Setting up of units in Special Economic Zone;
2. Annual permission for sub-contracting;
3. Allotment of Importer Exporter Code Number;
4. Allotment of land/industrial sheds in the Special Economic Zone;
5. Water Connection;
6. Registration-cum-Membership Certificate;
7. Small Scale Industries Registration;
8. Registration with Central Pollution Control Board;
9. Power connection;
10. Building approval plan;
11. Sales Tax registration;
12. Approval from Inspectorate of factories;
13. Pollution control clearance, wherever required;
14. Any other approval as may be required from the State Government.

1. The application should be submitted to the Development Commissioner of the concerned Special Economic Zone in 5 copies alongwith a crossed Demand Draft of rupees five thousand drawn in favour of the Pay & Account Officer of the concerned Special Economic Zone together with a project report giving details of activities proposed.

**For Official Use only**

Application No. 111900003460  
Date 22/07/2019

**Details of Bank Draft**

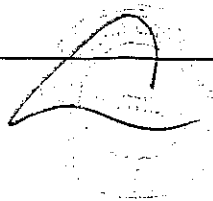
Amount Rs. 5000.00  
Draft No. 132232  
Draft date 20/07/2019  
Drawn on ICICI Bank

( Name of the Bank )

Payable at Mumbai

**PART - I**

i. Name and full address of applicant firm/ Company (in block letters)	L&T HYDROCARBON ENGINEERING LIMITED
Registered Office in case of limited company & Head Office for others	L&T HOUSE, BALLARD ESTATE, MUMBAI MAHARASHTRA, INDIA
Pln Code	400001
Tel. No.	91-22-67052394
Fax No.	91-22-67051966
Permanent E-mail Address	neelu.chowdhary@larsentoubro.com
Web-Site, if any	www.lnhydrocarbon.com
Passport No., if any	
Name of Bank with Address & Account No.	The Hongkong and Shanghai Banking Corporation Ltd. MG ROAD, Mumbai 006070734002
Digital Signature	
Income Tax PAN (attach copy)	AABCL5967D



II. Constitution of the Applicant firm Public Limited Company  
 (Attach copy of Certificate of Incorporation along with Articles of Association and Memorandum of Association in case of companies and partnership deed in case of partnership firms.)

III. Nature of the industrial undertaking  
 (i) Medium Scale

IV. Name and complete address of each of the Directors/Partners/Proprietor, as the case may be with Telephone numbers.

Name KRISHNAMURTI VENKATARAMANAN  
 Address 401, Varsha Janki Kutir, Juhu  
 Mumbai  
 Maharashtra  
 India  
 400049  
 Tel No. 91-22-67052394  
 Email-Id neelu.chowdhary@larsentoubro.com  
 Website www.lnhydrocarbon.com

Name RAMAMURTHI SHANKAR RAMAN  
 Address Flat No 123, Kalpataru Royale, 12th Floor Road No 29  
 Near Sion Circle, Sion East  
 Mumbai  
 Maharashtra  
 India  
 400022  
 Tel No. 91-22-67052394  
 Email-Id neelu.chowdhary@larsentoubro.com  
 Website www.lnhydrocarbon.com

Name VIKRAM SINGH MEHTA  
 Address 23, Friends Colony West, East of Kailesh, South Delhi  
 Delhi  
 India  
 110065  
 Tel No. 91-22-67052394  
 Email-Id neelu.chowdhary@larsentoubro.com  
 Website www.lnhydrocarbon.com

Name BHAGYAM RAMANI  
 Address 501, ANAND CO-OP HDUSING SOCIETY  
 JUHU VERSOVA LINK ROAD BEHIND SKY LARK BUILDING  
 ANDHERI WEST  
 MUMBAI  
 Maharashtra  
 India  
 400058  
 Tel No. 91-22-67052394  
 Email-Id neelu.chowdhary@larsentoubro.com  
 Website www.lnhydrocarbon.com

Name SUBRAMANIAN SUDARSANAM SARMA  
 Address Flat No 5-505, 381 Palm Jumeira P.O Box 71447  
 Sharjah  
 Sharjah  
 UNITED ARAB EMIRATES  
 71447  
 Tel No. 91-22-67052394  
 Email-Id neelu.chowdhary@larsentoubro.com  
 Website www.lnhydrocarbon.com

V. Item (s) of manufacture / service activity  
 (including By-product / Co-products, if necessary, additional sheets may be attached)

Item(s) Description	Capacity (Not required for service unit)	Units
Information Technology and Information Technology Enabled Services in the nature of Engineering and Design Services (CPC- 8672)	0.00	U S Dollar (\$)

VI. Investment		(Rs. In Lakhs)
(a)	Plant and Machinery	
	(i) Indigenous	1788.27
	(ii) Import CIF value	107.00
	(iii) Total (i) + (ii)	1895.27
(b)	Details of source(s) of finance	
	From Existing Reserves and Surplus (There is a sufficient balance available as per Financials of year 2018-19)	
	From Internal Accruals (Over next 5 years- Surplus profits every year transferred to reserves)	
(c)	Remarks	

VII. Import and indigenous requirement of materials and other inputs		(Value in Rupees)	
		Import	Indigenous
(a)	Capital Goods	10700000.00	178827500.00
(b)	Raw material, components, consumables, packing material, fuel etc. for 5 years	0.00	0.00
(Give details in project report namely list of Capital Goods, description of raw materials, and other inputs, etc).			
(c)	TOTAL	10700000.00	178827500.00

VIII. Infrastructure requirements		
1. Requirement of land		(Area in sq. mtrs.)
(i)	Factory & Offices	0.00
(ii)	Warehousing/storage	0.00
(iii)	Others, specify	0.00
		(Area in sq. mtrs.)
2.	Requirement of built-up area	3828.62
3. Requirement of Water		(in Kilo Litres)
(i)	For Industrial (process) purposes	0.00
(ii)	For drinking purposes	80.00
(iii)	Others, specify	20.00
(iv)	Total requirement	100.00
4. Effluent Treatment		
(i)	Quantum and nature of effluents and mode of disposal	NA
(ii)	Specify whether own Effluent Treatment Plant will be created.	No
		(in KVA)
5.	Requirement of Power	200.00

IX. Employment		Men	Women
		140	35

## X. Whether foreign technology agreement is envisaged

(Mark  for the appropriate entry)

Yes

No

(i) Name and Full Address of foreign collaborator



Name of the Foreign Colaborator	Address
NA	NA

## (ii) Nature of Collaboration

## 1. Equity Participation including Foreign Investment

(i)		Proposed		Existing	
		(\$ in thousand)	(Rs. in lakhs)	(\$ in thousand)	(Rs. in lakhs)
(a)	Authorised	428857.14	300200.00	428857.14	300200.00
(b)	Subscribed	251435.71	176005.00	251435.71	176005.00
(c)	Paid up Capital	251435.71	176005.00	251435.71	176005.00

Note: If it is an existing company, give the break up of existing and proposed capital structure.

## (ii) Pattern of share holding in the paid-up capital (Amount in Rupees)

	(Rs. in lakhs)		(US \$ Thousand)	
(a) Foreign holding		0.00		0.00
(b) Non Resident Indian company / Individual holding				
(i) Repatriable		0.00		0.00
(ii) Non-repatriable		0.00		0.00
(c) Resident holding		176005.00		251435.71
(d) Total Equity		176005.00		251435.71
(e) External commercial Borrowing(give details)		0.00		0.00

Remarks

NIL

## 2. Technical collaboration (furnish details in project report)

Monetary Details for NA

(Gross of Taxes)

(a) Lumpsum payment	NA
(b) Design & Drawing fee	NA
(c) Payment to foreign technician	NA
(d) Royalty (on exports %)	NA
(e) Royalty (on domestic tariff area sales if envisaged)	NA
(f) Duration of agreement (Number of years)	NA

## 3. Marketing collaboration (furnish details in project report)

Marketing Collaboration Name	Description
Captive Unit	proposed unit will be majorly working as captive unit for our overseas entities and for marketing to other customers we shall use digital medium to reach to prospective customers

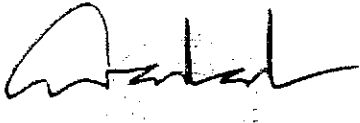

## XI. Foreign Exchange Balance sheet

Year	1st	2nd	3rd	4th	5th	Total (Rs. in lakhs)	Total (\$ in thousands)
1. FOB value of exports in first five years.	3500.00	3990.00	4550.00	5547.50	5652.50	23240.00	33200.00
2. * Foreign Exchange outgo on for the first five years.	66.00	3.00	3.00	32.00	3.00	107.00	152.86
3. Net Foreign Exchange earnings for the first five years (1) - (2)	3434.00	3987.00	4547.00	5515.50	5649.50	23133.00	33047.14

\* Foreign exchange outgo shall include the CIF value of import of machinery, raw material, components, consumables, spares, packing materials and amount of repatriation of dividends and profits, royalty, lumpsum knowhow fee, design and drawing fee, payment of foreign technicians, payment on training of Indian technicians abroad, commission on export, interest on external commercial borrowings, interest on deferred payment credit and any other payments.

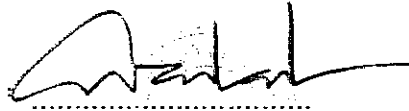

## XII. Other information

- (i) Any special feature of the project proposal which you want to highlight. NO
- (ii) Whether the applicant has been issued any industrial license or LOI/LOA under EOU/SEZ/STP/EHTP scheme. If so, give full particulars, namely reference number, date of issue, items of manufacture and progress of implementation of each project. NO
- (iii) Specify, if any application submitted before is pending. NO
- (iv) Whether the applicant or any of the partner/Director who are also partners/Directors of another company or firms its associate concerns are being proceeded against or have been debarred from getting any License/Letter of Intent/Letter of Permission under Foreign Trade (Development and Regulation) Act, 1992 or Foreign Exchange Management Act, 1999 or Customs Act, 1962 or Central Excise Act, 1944. NO

Place	: Mumbai	Name in Block Letters	R. SRIVATNSAN
Date	: 22/07/2019	Designation	Ex VP and Head- Middle East and Saudi LTA (offshore)
Official		Tel. No.	91-22-67052394
Seal/Stamp		e-mail	neelu.chowdhary@larsentoubro.com
		Web-Site, if any	http://www.lnhydrocarbon.com
		Full Residential Address	2602, Tonno, Hiranandani gardens, Powai, Mumbai, Maharashtra, India, 400076

**UNDERTAKING**

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We shall abide by any other condition, which may be stipulated by the Development Commissioner. I/We fully understand that any Permission Letter/Approval granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein furnished are incorrect or false.  
An affidavit duly sworn in support of the above information is enclosed.

Place	: Mumbai	Signature of the Applicant	
Date	: 22/07/2019	Name in Block Letters	R. SRIVATNSAN
Official		Designation	Ex VP and Head- Middle East and Saudi LTA (offshore)
Seal/Stamp		Full Official address	L&T HOUSE, BALLARD ESTATE, MUMBAI, MAHARASHTRA, INDIA
		Tel. No.	91-22-67052394
		e-mail Address	neelu.chowdhary@larsentoubro.com
		Web-Site	www.lnhydrocarbon.com
		Full Residential address	2602, Tonno, Hiranandani gardens, Powai, Mumbai, Maharashtra, India, 400076
		Tel. No	91-22-67052394

Note: Formats of application not given herein may be obtained from the Development Commissioner.

**PART - II**

If sub-contracting is envisaged in the manufacturing operations, furnish following details:

- (i) Sub-contracting permission is required for -
- (a) Part of the production process ( quantify )

Production Process
NA

(b) Any particular production process (give details)

Other Production Process
NA

(ii) Name and address and other particulars of sub-contractor and whether the sub-contractor is

Sub-Contractor Name	Address	Sub-Contractor Type
NA	NA	NA



Our Modular Fabrication vertical is a unique combination of fabrication yards backed by rich and extensive experience of project Engineering, Procurement and Construction/ Installation and commissioning (EPCC / EPIC) in both Offshore and Onshore domains.

**6. SEZ Unit:-**

L&T Hydrocarbon Engineering Limited has been allotted office admeasuring to 41,211 Sqft at 1103 and 1104, Wing A, 11<sup>th</sup> floor, Kensington, Festus Properties Private Limited-SEZ (Formerly known as HGP Community Pvt Ltd - SEZ), Powai Business District, Technology Street, Powai, Mumbai 400076, wherein L&T proposes to set up SEZ Unit for following authorized operations namely:

<b>Proposed Authorized Operations</b>
Information Technology and Information Technology Enabled Services in the nature of Engineering and Design Services (CPC- 8672)

**6.1 Project Cost:**

Proposed SEZ Unit will see Total Outlay of **Rs. 2399.18/- Lakhs** towards various categories such as cost of Computers, Capital goods, Furniture etc. Detailed break up is as below.

<b>Proposed SEZ unit at Festus Properties Pvt. Ltd.-SEZ</b>	
<b>Cost of the Project and Means of Finance</b>	
<b>A. Cost of Project</b>	
<b>Particulars</b>	<b>Amount (Rs. In Lakhs)</b>
Computers, Softwares, Licenses, Server etc (Imported 10% and Indigenous 90%)	865.00
Office Capital Goods includes AV Equipments, PA Systems, Access Control systems, Networking Equipments etc (Indigenous 100%)	412.11
Office Furniture, Chairs, Workstation and other fit out related items such as carpets etc (Indigenous 100%)	618.17
Security Deposit for the office Premises	503.90
<b>TOTAL</b>	<b>2,399.18</b>

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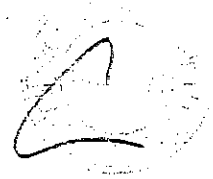
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**6.2 Means of Finance:**

Proposed SEZ Unit project cost of **Rs. 2399.18/- Lakhs** will be funded through From Existing Reserves and Surplus (There is a sufficient balance available as per Financials of year 2018-19) and From Internal Accruals (Over next 5 years- Surplus profits every year transferred to reserves):

<b>B. Means of Finance</b>	
<b>Particulars</b>	<b>Amount (Rs. In Lakhs)</b>
From Existing Reserves and Surplus (There is a sufficient balance available as per Financials of year 2018-19)	2194.18
From Internal Accruals (Over next 5 years- Surplus profits every year transferred to reserves)	205.00
<b>TOTAL</b>	<b>2399.18</b>

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Proposed SEZ unit at Festus Properties Pvt. Ltd.-SEZ						
Installed Capacity						
S.No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
A	Employee Count at the EOY	110.00	125.00	140.00	170.00	175.00
B	Total Yearly Revenue- In US \$	50,00,000.00	57,00,000.00	65,00,000.00	79,25,000.00	80,75,000.00
C	Total Yearly Revenue- Rs. In Lakhs (1US\$ = Rs. 70)	3,500.00	3,990.00	4,550.00	5,547.50	5,652.50

**L&T Hydrocarbon Engineering Limited**

**Proposed SEZ unit at Festus Properties Pvt. Ltd.-SEZ**

**Projected Profit and Loss account for Next 5 years**

(1 US \$ = Rs. 70)

(Rs. In Lakhs)								
S.No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total (Rs. In Lakhs)	Total (US \$ in '000)
A	Revenue:							
(i)	Exports	3,500.00	3,990.00	4,550.00	5,547.50	5,652.50	23,240.00	33,200.00
A	Total Revenue	3,500.00	3,990.00	4,550.00	5,547.50	5,652.50	23,240.00	33,200.00
B	Expenses:							
(i)	Total Personnel Cost	1,925.00	2,194.50	2,502.50	3,051.13	3,108.88	12,782.00	18,260.00
(ii)	Total Property Expenses	223.96	682.17	713.59	746.58	781.23	3,147.53	4,496.47
(iii)	Total Overheads including HR Expenses, Admin, Internet and Telecommunication, Memberships, Finance cost, Electricity charges, Security and Housekeeping expenses, Printing and Stationery,	700.00	399.00	455.00	554.75	565.25	2,674.00	3,820.00

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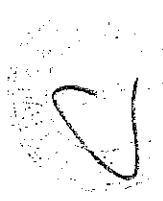
	Professional Fees, Business Development and Marketing expenses etc								
(iv)	Depreciation	426.03	431.03	436.03	269.38	269.38	1,831.86	2,616.95	
B	Total Expenses	3,274.99	3,706.71	4,107.13	4,621.84	4,724.74	20,435.39	29,193.42	
C	Profit/ (Loss) for the Year before tax	225.01	283.29	442.87	925.66	927.76	2,804.61	4,006.58	
Les	Provision for Tax- MAT @ 21.55%	48.49	61.05	95.44	199.48	199.93	604.39	863.42	
Add	MAT Credit Entitlement for the year	48.49	61.05	95.44	199.48	199.93	604.39	863.42	
D	Profit/ (Loss) for the Year after tax	225.01	283.29	442.87	925.66	927.76	2,804.61	4,006.58	
	Cash Profit	651.04	714.33	878.91	1,195.05	1,197.15	4,636.47	6,623.53	

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6.3 Projected Cash Flow:

Proposed SEZ unit at Festus Properties Pvt. Ltd.-SEZ						
Projected Cash Flow Statement for Next 5 years						
(Rs. In Lakhs)						
S.No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
A	Opening Balance (A)	-	305.46	909.85	1,652.66	2,406.46
B	Cash Inflow:					
	From Existing Reserves and Surplus (There is a sufficient balance available as per Financials of year 2018-19)	2,194.18	-	-	-	-
Add:	From Internal Accruals (Over next 5 years-Surplus profits every year transferred to reserves)	225.01	283.29	442.87	925.66	927.76
Add:	Net Increase/(Decrease) in Sundry Creditors	285.90	48.12	67.34	160.82	9.03
Add:	Depreciation	426.03	431.03	436.03	269.38	269.38
	<b>Total Cash Generation (B)</b>	<b>3,131.12</b>	<b>762.45</b>	<b>946.25</b>	<b>1,355.87</b>	<b>1,206.17</b>
C	Cash Utilized:					
Less:	Fixed Assets- Increase/(Decrease)	1,690.28	15.00	15.00	160.00	15.00
Less:	Net Increase/(Decrease) in Accounts Receivable	583.00	82.00	93.00	167.00	17.00
Less:	Tax paid as advance Tax towards MAT Provision	48.49	61.05	95.44	199.48	199.93
Less:	Security Deposit for Office premises	503.90	-	-	75.59	-
	<b>Total Cash Utilized (C)</b>	<b>2,825.67</b>	<b>158.05</b>	<b>203.44</b>	<b>602.07</b>	<b>231.93</b>
	<b>Net Cash/Bank and its Equivalents (A+B-C)</b>	<b>305.46</b>	<b>909.85</b>	<b>1,652.66</b>	<b>2,406.46</b>	<b>3,380.70</b>

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6.4 Capital goods and Plant and machinery- Imported and Indigenous:

Proposed SEZ unit at Pectus Properties Pvt. Ltd., SEZ						
Capex Projection for next 5 years						
Particulars	1st year	2nd Year	3rd Year	4th Year	5th Year	Total
Computers, Softwares, Licenses, Server etc (Imported 10% and Indigenous 90%)	INR 6,60,00,000	INR 15,00,000	INR 15,00,000	INR 1,60,00,000	INR 15,00,000	INR 8,65,00,000
Office Capital Goods includes AV Equipments, PA Systems, Access Control systems, Networking Equipments etc (Indigenous 100%)	4,12,11,000	-	-	-	-	4,12,11,000
Office Furniture, Chairs, Workstation and other fit out related items such as carpets etc (Indigenous 100%)	6,18,16,500	-	-	-	-	6,18,16,500
<b>TOTAL</b>	<b>16,90,27,500</b>	<b>15,00,000</b>	<b>15,00,000</b>	<b>1,60,00,000</b>	<b>15,00,000</b>	<b>18,95,27,500</b>

Imported Capital Goods & Plant & Machinery						
Particulars	1st year	2nd Year	3rd Year	4th Year	5th Year	Total
Computers, Softwares, Licenses, Server etc	INR 66,00,000	INR 3,00,000	INR 3,00,000	INR 32,00,000	INR 3,00,000	INR 1,07,00,000
Office Capital Goods includes AV Equipments, PA Systems, Access Control systems, Networking Equipments etc	-	-	-	-	-	-
Office Furniture, Chairs, Workstation and other fit out related items such as carpets etc	-	-	-	-	-	-
<b>TOTAL</b>	<b>66,00,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>32,00,000</b>	<b>3,00,000</b>	<b>1,07,00,000</b>

Indigenous Capital Goods & Plant & Machinery						
Particulars	1st year	2nd Year	3rd Year	4th Year	5th Year	Total
Computers, Softwares, Licenses, Server etc	INR 5,94,00,000	INR 12,00,000	INR 12,00,000	INR 1,28,00,000	INR 12,00,000	INR 7,58,00,000

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Office Capital Goods includes AV Equipments, PA Systems, Access Control systems, Networking Equipments etc	4,12,11,000	-	-	-	-	4,12,11,000
Office Furniture, Chairs, Workstation and other fit out related items such as carpets etc	6,18,16,500	-	-	-	-	6,18,16,500
<b>TOTAL</b>	<b>16,24,27,500</b>	<b>12,00,000</b>	<b>12,00,000</b>	<b>1,28,00,000</b>	<b>12,00,000</b>	<b>17,88,27,500</b>

**6.5 Projected Foreign Exchange Balance Sheet:**

Proposed SEZ unit at Festus Properties Pvt. Ltd.-SEZ							
Projected Foreign Exchange Balance Sheet for Next 5 years							
(Rs. In Lakhs)							
S.No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total (Rs. In Lakhs)
1	FOB Value of Exports in First Five years	3500.00	3990.00	4550.00	5547.50	5652.50	23240.00
2	*Foreign Exchange Outgo on for the First Five years						
(i)	Imports of capital goods, Plant and Machinery	66.00	3.00	3.00	32.00	3.00	107.00
3	Net Foreign Exchange earnings for the First Five years (1)- (2)	3434.00	3987.00	4547.00	5515.50	5649.50	23133.00
							Total (US \$ in '000)
							33200.00
							152.86
							33047.14

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**6.6 Projected Manpower Statement:**

Proposed SEZ unit will generate direct employment of **175 employees** over a period of 5 years as below:

Proposed SEZ unit at Festus Properties Pvt. Ltd.-SEZ						
Employment Projections for Next 5 years						
S.No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
1	Employee Count at the EOY	110	125	140	170	175
2	<b>Total Employees</b>	<b>110</b>	<b>125</b>	<b>140</b>	<b>170</b>	<b>175</b>

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**7. Marketing Strategy/Buy-back plan:**

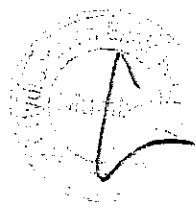
For marketing of our services from the proposed SEZ unit, we would like to indicate here that proposed unit will be majorly working as captive unit for our overseas entities and for marketing to other customers, we shall use digital medium to reach to prospective customers and will also establish dedicated marketing team for marketing of our services.

Moreover, we have confirmation from few of our existing customers for new business/projects to be executed from our proposed SEZ unit, though we have not entered into any written agreement yet in absence of SEZ Letter of Approval for the proposed unit in **Festus Properties Private Limited-SEZ (Formerly known as HGP Community Pvt Ltd - SEZ)**.

**8. Conclusion:**

Proposed SEZ Unit will help in bringing Foreign exchange into India with generation of direct employment of 175 Employees over a period of 5 years.

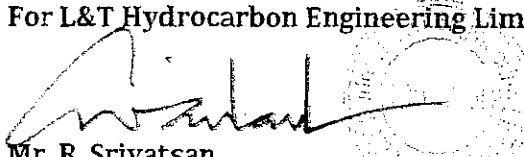
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LIST OF INDIGENOUS CAPITAL GOODS		
Sr. No.	Particulars	Amount (Rs. In Lakhs)
1	Desktops	1788.27/-
2	Laptops	
3	Servers	
4	Switches	
5	Networking Equipment's	
6	UPS System	
7	Teleconferencing Equipment's	
8	Audio Video Equipment's	
9	Security System	
10	CCTV Camera	
11	Modular Furniture & Fit outs	
12	Chairs	
13	Air-conditioning Equipment's	
14	LCD Displays	
15	Software	
16	Data Centre	
17	Fax Machine	
18	Racks for Server	
19	Printer/Scanner/Photocopier	
20	Fire Alarm System	
21	LAN Cabling	
22	Electrical Switchboard	
23	Electrical Cables	
24	Electrical Equipment's	
25	Building Materials such as Tiles, Granite, Marble flooring, Cement, Sand, paints, pipes etc	
26	Other Interior fit out material plywood, Laminates, Gypsum partition, Glass, False Ceiling, veneer etc.	
<b>Total</b>		<b>1788.27/-</b>

For L&T Hydrocarbon Engineering Limited

  
Mr. R. Srivatsan  
Executive Vice president and Head  
Middle East and Saudi LTA (offshore)

Date:



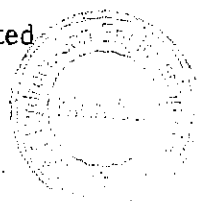
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LIST OF IMPORTED CAPITAL GOODS		
Sr. No.	Particulars	Amount (Rs. In Lakhs)
1	Desktops	107.00/-
2	Laptops	
3	Servers	
4	Switches	
5	Networking Equipment's	
6	UPS System	
7	Teleconferencing Equipment's	
8	Audio Video Equipment's	
9	Security System	
10	CCTV Camera	
11	Modular Furniture & Fit outs	
12	Chairs	
13	Air-conditioning Equipment's	
14	LCD Displays	
15	Software	
16	Data Centre	
17	Fax Machine	
18	Racks for Server	
19	Testing Equipment's	
20	Printer/Scanner/Photocopier	
21	Fire Alarm System	
22	LAN Cabling	
23	Electrical Switchboard	
24	Electrical Cables	
25	Electrical Equipment's	
26	Building Materials such as Tiles, Granite, Marble flooring, Cement, Sand, paints, pipes etc	
27	Other Interior fit out material plywood, Laminates, Gypsum partition, Glass, False Ceiling, veneer etc	
	<b>Total</b>	<b>107.00/-</b>

For L&T Hydrocarbon Engineering Limited

Mr. R. Srivatsan  
Executive Vice president and Head  
Middle East and Saudi LTA (offshore)

Date:





20<sup>th</sup> July 2019

**FESTUS PROPERTIES PRIVATE LIMITED,**  
514, Dalamal Towers, Nariman Point,  
Mumbai - 400021

**Sub: Head of Terms ("HOT") for taking on Lease for Leased Premises Unit no.1103, 11<sup>th</sup> floor, in Kensington Building situated at Powai, Mumbai-400076. (hereinafter referred to as "the said Leased Premises").**

Dear Sir,

We refer to your proposal and our final negotiations with respect to the said Leased Premises. In accordance with our agreed discussions, we are pleased to accept the Head of Terms for the said Leased Premises on Lease as per the terms/ conditions & broader specifications more specifically detailed out below.

This HOT will be in effect till **22<sup>nd</sup> July 2019** or execution of Lease agreement whichever is earlier, unless terminated earlier and will override all communications, references and verbal discussions made prior to the date of signing of this HOT.

It is agreed between the Parties that the Lease in respect of the said Leased Premises will be executed on or before **16<sup>th</sup> August 2019** or such mutually extended date.

This letter is sent to you in duplicate. We trust the above terms are acceptable and would appreciate if you could confirm your agreement by signing and returning to us one copy of this Head of Terms (HOT) which would enable us to proceed further on this matter.

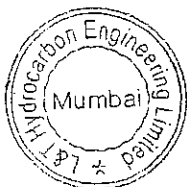
Thanking you,

Yours Faithfully

For L&T Hydrocarbon Engineering

(Authorized Signatory)

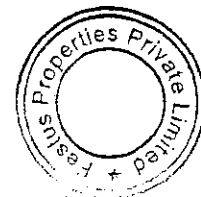
Mr. MVN Rao



For FESTUS PROPERTIES PRIVATE LIMITED

(Authorized Signatory)

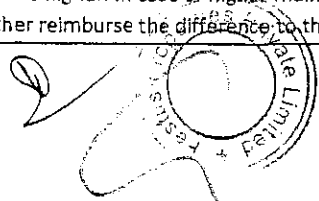
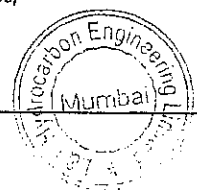
Mr. Vithal Suryavanshi



# HEAD OF TERMS

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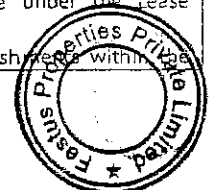
<b>1. PARTIES TO THE HEAD OF TERMS("HOT")</b>	
Building Name	Kensington
Location of Building	Powai Business District , Powai, Mumbai 400 076
Name of Proposed Lessor & Registered Office Address	FESTUS PROPERTIES PRIVATE LIMITED,  514, Dalamal Towers, Nariman Point, Mumbai – 400021
Name of Proposed Lessee	L&T Hydrocarbon Engineering
Address of Proposed Lessee's Registered Office	Registered Office – L&T House, N. M. Marg, Ballard Estate, Mumbai, 400 001 INDIA  Communicating and Mailing Address – Powai Campus, Gate no. 1, EPC block, Saki Vihar Road, Mumbai, 400 072 Maharashtra, INDIA
Business	IT/ITES SEZ
<b>2. LEASED PREMISES DESCRIPTION</b>	
Leased Premises Location as per plan annexed as Annexure A	1103 ,11 <sup>th</sup> floor in Building, Kensington, at Powai Business District, Technology Street, Powai, Mumbai 400076.
Carpet Area Definition & Carpet Area Efficiency	13,847 sq. ft (carpet area efficiency: 65%)  Carpet Area of the Licensed Premises shall be the area of the Licensed Premises as measured from the inside surface of the perimeter wall to the inside surface of the opposite perimeter wall minus vertical penetrations of the floor for stairs, elevators and risers. All toilets, AHU rooms, columns, balconies, service areas, electric rooms, exclusive lobbies, and any other area, which are enclosed for exclusive use of the Proposed Licensee, shall form part of the Carpet area.
Chargeable Area	
Type of Premises	Bare Shell space (As is where is basis)
User/Compliance	The Proposed Lessee shall use the said Premises for IT /ITES and any other activities as permitted under the SEZ Act, and its rules and regulations and the Proposed Lessee shall procure the SEZ Unit Registration Certificate, and / or Letter of Permission (LOP) from the SEZ Authorities (hereinafter referred to as the "Approvals") necessary for the Proposed Lessee to carry on its operations from the said Premises on or before 16th August 2019. The said "Approvals" needs to be procured and maintained by Proposed Lessee throughout the term of the Lease agreement.
<b>3. COMMERCIAL TERMS</b>	
<b>a. Term</b>	
Lease Term	60 months
Lock-in Period for Proposed Lessee	36 months from the Lease Commencement Date
Lock-in Period for Proposed Lessor	60 months from the Lease Commencement Date
Notice Period	After the completion of initial 36 months, Proposed Lessee shall be entitled to terminate the Lease Agreement by giving 6 months of advance written notice of termination to the Proposed Lessor.
<b>b. Monthly Rent</b>	
(i) Monthly Rent	total of Rs. 26,62,825 per month (Rs. 192 per sq. ft on chargeable area) towards the Leased Premises
Monthly Rent Escalation	Monthly Rent shall increase at the rate of 5% at the end of every 12 months effective from Lease Commencement date on the last payable Monthly Rent
<b>c. Common Area Maintenance Charges (CAM Charges)</b>	
Common Area Maintenance Charges (CAM Charges)	Proposed Lessee shall pay CAM Rs.10.86 per sq. ft per month on chargeable area basis estimated for every financial year. Such CAM shall be charged on the basis of (Cost + 20% mark- up, sinking fund, insurance charges and township infrastructure fund) on chargeable area per month or whichever is higher. In case of higher maintenance charges, the Proposed Lessee shall further reimburse the difference to the Proposed



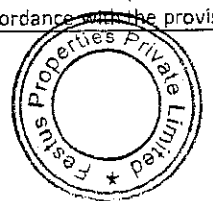
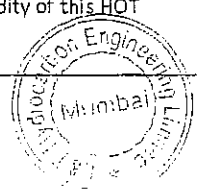


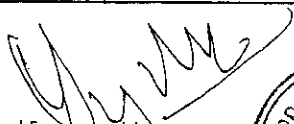
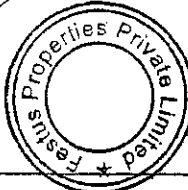

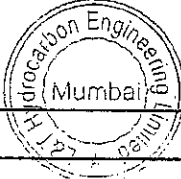
	Lessor. Scope of CAM is further detailed in – Annexure A.
d. Payment Mechanism for Rent and CAM Charges	(i) Monthly Rent and CAM Charges shall be payable in advance by 7 days from the date of receipt of invoices by the Proposed Lessee.
e. Parking	(i) Proposed Lessor shall provide 14 car parks at no additional cost, for parking its vehicles. (ii) Subject to availability of the Space, Proposed lessee would be provided additional car park space @ INR.8,000/- per car park per month + with escalation of 5 % after completion of every 12 months from the date of allotment of any additional Car Park Space. (iii) Any additional car parking space charges (if applicable) shall be payable yearly in advance
f. Utilities	The Proposed Lessee shall avail/pay/reimburse, utility charges to the respective service provider, directly for the consumption. Proposed Lessee to furnish disconnection letter and no dues certificate from service provider to the Proposed Lessor before handing over the Leased Premises.  All the above charges will be billed and payable monthly. Proposed Lessee shall also reimburse additional amount towards security deposit in respect of utility services as may be applicable.
g. Power	Provision of infrastructure for 0.8 KVA for every 100 sq. ft of chargeable area shall be arranged up-to single point at meter room level to be provided or as is where is condition. The Proposed Licensee shall make appropriate application/s to the Power Supply company for electric meter connection.  All charges/ deposits etc., shall be paid directly to the Power Supply company towards such connection/s by the Proposed Licensee to such power supply company, without any recourse to the Proposed Licensor.
h. Municipal Taxes/Property Tax & all other similar taxes	Present Municipal/Property tax to be borne by the Proposed Lessor and future escalation/increment in Municipal/property Any increase in Municipal/Property tax to be borne by Proposed Lessee.
i. GST and other taxes, surcharges, levies, etc.	All other taxes including but not limited to GST, surcharge etc. applicable on Rent, Maintenance Charges and/or all other charges payable by the Proposed Lessee to the Proposed Lessor, shall be paid/reimbursed by the Proposed Lessee.
j. Other taxes/licenses related to the Proposed Lessee's Business Operations	Shall be borne by the Proposed Lessee.
k. Insurance	Proposed Lessee is required to insure its assets, movable assets and other belongings in the Leased Premises.
l. Stamp Duty & Registration Charges	These charges shall be borne by the Proposed Lessee at applicable rates.
m. Security Deposit	
Security Deposit (Interest Free & Refundable)	Equivalent to 9 months Monthly Rent & CAM amounting to Rs. 2,60,48,124 to paid by Proposed Lessee as per the below mentioned schedule
Amount equivalent to 3 Months of Monthly Rent & CAM on signing of HOT	Rs. 86,82,7D8
Amount equivalent to 6 Months of Monthly Rent & CAM on or execution of before Lease agreement	Rs. 1,73,65,416
Security Deposit (Interest Free & Refundable) Escalation	Security Deposit (Interest Free & Refundable) shall escalate by 15% at the end of initial 36 months from Lease Commencement date
Interest	The Proposed Lessee shall be liable to pay interest @18% p.a on all outstanding dues payable by the Proposed Lessee under this HOT or the applicable Lease Agreement from the respective due dates until payment.
<b>4. HANDOVER DATE, FIT OUTS, LEASE COMMENCEMENT DATE &amp; RENT COMMENCEMENT DATE;</b>	
(i) Handover Date and Commencement of Fit Outs/Refurbishments	The Proposed Lessor shall handover the Leased Premises to the Proposed Lessee in "Bare Shell condition in- As is where is basis" on 16 <sup>th</sup> August 2019 (Handover Oate) subject to completion of following; a. Execution and registration of Lease Agreement. b. Payment of entire Security Deposit amount payable under the Lease Agreement.  The Proposed Lessee shall commence out-fit out works/refurbish within

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	<p>Leased Premises after obtaining following approvals; as applicable</p> <ol style="list-style-type: none"> <li>1. Proposed Lessee should have submitted plans and interior layouts with electric load and other services requirement to the Proposed Lessor and obtained prior approval for the same from the Proposed Lessor, if applicable during the tenure of the Lease Agreement.</li> <li>2. Fire NOC and Fit out approval from the MCGM, as applicable, if applicable during the tenure of the Lease Agreement.</li> <li>3. The Proposed Lessee shall use the said Premises for IT /ITES and any other activities as permitted under the SEZ Act, and its rules and regulations and the Proposed Lessee shall procure the SEZ Unit Registration Certificate, and/ or Letter of Permission (LOP) from the SEZ Authorities (hereinafter referred to as the "Approvals")</li> <li>4. The Lessee undertakes to install fire safety &amp; fighting equipment, infrastructure &amp; systems including sprinklers and smoke detectors within the said Premises in accordance with National Building Code guidelines and the local Chief Fire Officer ("CFO") norms and guidelines at all time during the Lease Term. The Lessee shall comply with all statutory obligation related to Fire and safety and obtain 'Form B' from the Chief Fire Officer on 6 monthly basis and submit the same to the Lessor as per applicable fire and safety related regulations and requirements. The Lessee shall appoint a specific person responsible to implement fire and safety related matters and policies in relation to the said Premises. The Lessee alone shall be liable and responsible in relation to the above, and for mishaps happening in or around the said Premises (if any).</li> </ol>
(ii) Lease Commencement Date (LCD)	Lease in respect of the Leased Premises shall commence from <del>Handover Date</del> i.e. <del>1st September 2019</del>
(iii) Rent Free Period	3months from Lease Commencement Date
(iv) Rent Commencement Date	<del>1st September 2019</del>
(v) Lease Commencement Date for CAM & other charges	1 <sup>st</sup> September 2019
(vi) Commencement of Operations	The Proposed Lessee shall it's operations from the Leased Premises after obtaining necessary approvals, as applicable.
(vii) Responsibility of the Proposed Lessee	Proposed Lessee shall be responsible for carrying out the entire Fit-out works/Refurbishment in the Leased Premises. All the permission/s, approval/s, NOCs which are required to commence Proposed Lessee's fit out work/refurbishment in the Leased Premises shall be obtained by the Proposed Lessee at its own cost, risk and consequences and Proposed Lessee shall be responsible for the due and proper compliances of all the terms and conditions mentioned thereunder, as applicable
(viii) Proposed Lessee agrees that the Dates mentioned herein will not be changed under any circumstances.	
<b>5. LEGAL TERMS</b>	
Type of Final Agreement	Lease Agreement only
Governing Law & Jurisdiction	Applicable Indian laws; Courts of competent jurisdiction in Mumbai, India
<b>6. OTHER TERMS AND CONDITIONS</b>	
a. The Maharashtra Rent Control Act, 1999	<p>The Proposed Lessee declares that it has the paid-up Share Capital of more than INR 1,00,00,000/- (One Crore) and agrees to maintain the same till the date the Proposed Lessor take over in the same state and condition as is handed over to the Proposed Lessee of the Leased Premises from the Proposed Lessee.</p> <p>The Proposed Lessee also agrees that it shall not be entitled to claim any protection or any other right/s under Maharashtra Rent Control Act, 1999 (and/or any other statutory enactment/s thereto and/or any other act/s, ruling, judgment/s etc. giving effect to the same).</p>
b. Timelines for execution of Lease Agreement	(i) On or before 16 <sup>th</sup> August 2019
c. Reinstatement	In the same state and condition as is handed over to the Proposed Lessee on the Handover date (Normal wear and tear excepted).
d. Anti-Bribery and Corruption	Proposed Lessee agrees to confirm and sign the Anti Bribery and Corruption Policy, Code of Business and Ethics Policy
e. Validity of this HOT	<p>This HOT shall be valid till the earlier of the following:</p> <ol style="list-style-type: none"> <li>(ii) 22<sup>nd</sup> July 2019</li> <li>(iii) Execution of the Lease Agreement by both parties, or;</li> <li>(iv) Date of delivery of notice by the Proposed Lessor to the Proposed Lessee intimating cancellation/termination of this HOT in accordance with the provisions</li> </ol>



<p>For: Festus Properties Private Limited</p>	<p>hereof. For: L&amp;T Hydrocarbon Engineering  Registered Office – L&amp;T House, N. M. Marg, Ballard Estate, Mumbai, 400 001 INDIA  Communicating and Mailing Address – Powai Campus, Gate no. 1, EPC block, Saki Vihar Road, Mumbai, 400 072 Maharashtra, INDIA</p>
<p> Vithal Suryavanshi (Authorized Signatory)</p> 	<p> Mr. MVN Rao (Authorized Signatory)</p> 
<p>Date:</p>	<p>Date:</p>

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22<sup>nd</sup> July 2019

## TO WHOMSOEVER IT MAY CONCERN

Sub: Letter of confirmation for availability of infrastructure facilities within the notified SEZ.


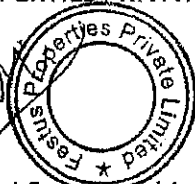
CUSTOMER	L&T Hydrocarbon Engineering Limited
Space Required	1103 & 1104, Kensington A, SEZ, Powai, Mumbai-400076
Purpose	IT and IT enabled Services.
Availability	Available

With reference to the letter dated \_\_\_\_\_ from requesting for availability of infrastructure facilities for their proposed SEZ Unit, we are pleased to confirm that we is in a position to provide the infrastructure requirements required under Rule 5A of SEZ Rules, 2006 as per the following details.

- (a.) 24. Hour's power supply at stable frequency in the Zone;
- (b.) Reliable Data connectivity provided for uninterrupted and secure data transmission;
- (c.) Provision for central air-conditioning system is provided;
- (d.) Ready to use office space on extended warm shell basis is available;
- (e.) Adequate water, effluent treatment and other infrastructural support.

The above facility will be provided to the SEZ Unit subject to the approval of the Development Commissioner (As per Rule 18(2) of the Special Economic Zone Rules, 2006)

For FESTUS PROPERTIES PRIVATE LIMITED

*AV*  
  
  
 Name - Mr. Vithal Suryavanshi

Authorized Signatory



महाराष्ट्र MAHARASHTRA

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प्रधान मुद्रांक कार्यालय, मुंबई  
प.सू.विक. ८००००९५  
14 JUN 2019  
सक्षम अधिकारी

श्री. सी. टी. आंबेकर

### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that by virtue of the powers conferred upon me by L&T Hydrocarbon Engineering Limited; a Company incorporated under the laws of India and having its Registered Office at L&T House, Narottam Morarji Marg, Ballard Estate, Mumbai 400001, India (hereinafter referred to as 'the Company'), pursuant to the resolution passed by the Board of Directors in its meeting held on July 17, 2019, I, Subramanian Sarma, Chief Executive Officer and Managing Director of the Company hereby nominate and appoint:

- 1) Mr. R. Srivatsan, Executive Vice President and Head – Middle East & Saudi LTA (Offshore) (an Indian national holding passport no. Z3727780 issued on 31/07/2017 with validity until 30/07/2027);
- 2) Ms. Neelu Chowdhary, Head F&A, Offshore (an Indian national holding passport no. Z5515368 issued on 26/04/2019 with validity until 25/04/2029);

(hereinafter referred to as the 'said Attorney/s') who shall be severally authorised to do or cause to be done for and on behalf of and in the name of the Company all or any of the following acts, deeds and things for the purpose



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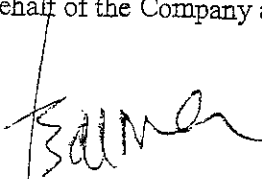
of setting up an Special Economic Zone Unit in Kensington Building situated at Powai (hereinafter referred as SEZ Unit) (hereinafter referred to as the 'Purpose'):

1. To sign, execute and submit on behalf of the Company all applications, proposals, forms, project reports, agreements, bond-cum-legal undertakings, affidavits or any other undertakings, declarations, deeds or documents with the relevant government authorities as required for the Purpose;
2. To appoint on behalf of the Company external consultants or experts for availing services for the said Purpose and sign and execute necessary agreements, deeds or documents with the said consultants or experts;
3. To pay on behalf of the Company the required fees, charges, stamp duties to the government authorities or the consultants as required for the Purpose;
4. To submit certified copies of the Company's constitutional documents and other deeds and documents of the company, statement of accounts or such other relevant information as required by the government authorities for the said Purpose;
5. To sign and execute relevant deeds, documents or forms for opening separates bank account/s for the Purpose;
6. To obtain necessary approvals, permissions, letter of intents, exemption certificates and such other documents from the government authorities for the said Purpose;
7. To represent the Company before any government authorities, officers, courts, tribunals etc and submit necessary written or oral representations;
8. To authorise the external consultants or experts appointed for the Purpose to perform any of the tasks or duties mentioned hereinabove;
9. In general, to enter into and perform all other acts, deeds and things for giving effect to the Purpose in the name and on behalf of the Company as the said Attorney may consider expedient for the aforesaid Purpose.

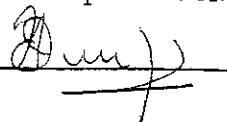
I hereby ratify and agree to ratify and confirm all that the said Attorney/s have done hitherto and shall do or cause to be done by virtue of these presents lawfully.

This Power of Attorney will be valid for 1 year from date of issuance or till such time the said Attorney/s are in employment with the Company, whichever is earlier. Signature of the said Attorney/s is annexed hereto for identification.

IN WITNESS WHEREOF, Mr. Subramanian Sarma, Chief Executive Officer and Managing Director of the Company, has set and subscribed his name and signature on behalf of the Company as its duly constituted agent on this 17<sup>th</sup> day of July 2019 at Mumbai, India.

  
SUBRAMANIAN SARMA  
CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR  
L&T HYDROCARBON ENGINEERING LIMITED

Signed in the presence of:







L&T Hydrocarbon Engineering Limited  
 Finance & Accounts, Gate No.1,  
 EPC Block, 5th Floor, 'A' wing,  
 Powai Campus, Saki Vihar Road,  
 P. O. Box No. 8901, Mumbai 400 072  
 Maharashtra, INDIA  
 Tel: +91 22 6705 0505 Fax: +91 226705 1966

**ANNEXURE 'A'**

**LIST OF SHAREHOLDERS AS ON JUNE 30, 2019**

**EQUITY SHARE CAPITAL:**

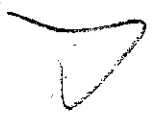
NAME OF SHAREHOLDER	NO. OF SHARES	PERCENTAGE
Larsen & Toubro Limited	100,00,49,994	99.99
Mr. Subhosh Shetty jointly with Larsen & Toubro Limited	1	0.00
Mr. Arnob K. Mondal jointly with Larsen & Toubro Limited	1	0.00
Mr. N. Haritharan jointly with Larsen & Toubro Limited	1	0.00
Mr. Y. V. S. Sravan Kumar jointly with Larsen & Toubro Limited	1	0.00
Mr. R. Govindan jointly with Larsen & Toubro Limited	1	0.00
Mr. Prasad V. Shanbhag jointly with Larsen & Toubro Limited	1	0.00
<b>TOTAL</b>	<b>100,00,50,000</b>	<b>100</b>

**PREFERENCE SHARE CAPITAL:**

10 % Preference Shares of Rs. 10/- each

NAME OF SHAREHOLDER	NO. OF SHARES	PERCENTAGE
Larsen & Toubro Limited	50,00,00,000	100
<b>TOTAL</b>	<b>50,00,00,000</b>	<b>100</b>

A wholly owned subsidiary of Larsen & Toubro Limited  
 Registered Office: L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001, INDIA  
 Tel: +91 22 6752 5656 Fax: +91 22 6752 5693 www.lntenc.com  
 CIN: U11200MH2009PLC191426



Handwritten mark

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# L&T Hydrocarbon Engineering

L&T Hydrocarbon Engineering Limited  
Finance & Accounts, Gate No.1,  
EPC Block, 5<sup>th</sup> Floor, 'A' wing,  
Powai Campus, Sakl Vihar Road,  
P. O. Box No. 8901, Mumbai 400 072  
Maharashtra, INDIA  
Tel: +91 22 6705 0505 Fax: +91 226705 1966

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12% Preference Shares of Rs. 10/- each

NAME OF SHAREHOLDER	NO. OF SHARES	PERCENTAGE
Larsen & Toubro Limited	26,00,00,000	100
<b>TOTAL</b>	<b>26,00,00,000</b>	<b>100</b>

For L&T HYDROCARBON ENGINEERING LIMITED

SIVARAM NAIR

COMPANY SECRETARY  
(M. No. F3939)

Date: June 30, 2019  
Place: Mumbai



Tel: +91 22 6752 5656 Fax: +91 22 6752 5693 www.Lntenc.com  
Registered Office: L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001. INDIA  
CIN: U11200MH2009PLC191426

A wholly owned subsidiary of Larsen & Taubro Limited



# नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U11200MH2009PLC191426

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मैसर्स L&T TECHNOLOGIES LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
L&T TECHNOLOGIES LIMITED

जो मूल रूप में दिनांक दो अप्रैल दो हजार नौ को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
L&T TECHNOLOGIES LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी का विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 (अ) दिनांक 24.6.1985 एस्.आर.एन्. B75127092 दिनांक 21/05/2013 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
L&T Hydrocarbon Engineering Limited

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र मुंबई में आज दिनांक इक्कीस मई दो हजार तेरह को जारी किया जाता है।

## GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS Registrar of Companies, Maharashtra, Mumbai

### Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U11200MH2009PLC191426

In the matter of M/s L&T TECHNOLOGIES LIMITED

I hereby certify that L&T TECHNOLOGIES LIMITED which was originally incorporated on Second day of April Two Thousand Nine under the Companies Act, 1956 (No. 1 of 1956) as L&T TECHNOLOGIES LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B75127092 dated 21/05/2013 the name of the said company is this day changed to L&T Hydrocarbon Engineering Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Mumbai this Twenty First day of May Two Thousand Thirteen.

Registrar of Companies, Maharashtra, Mumbai

कम्पनी रजिस्ट्रार, महाराष्ट्र, मुंबई

\*Note: The corresponding form has been approved by SUDHAKAR TULASHIRAM BHOYE, Assistant Registrar of Companies and the certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

L&T Hydrocarbon Engineering Limited  
L&T House, Ballard Estate, Mumbai - 400001,  
Maharashtra, INDIA



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**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 standalone 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 standalone 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 standalone financial statements.

**Inherent limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

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



A handwritten signature in black ink, appearing to read "Firdosh D. Buchia".

Firdosh D. Buchia  
Partner  
Membership no. 038332

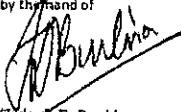
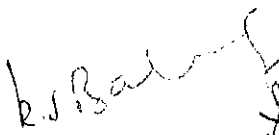
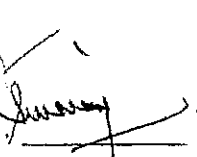
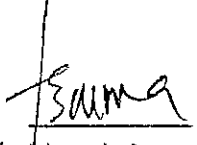
Mumbai, 22 April 2019

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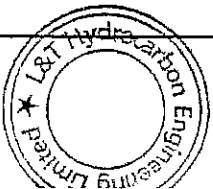
L&T HYDROCARBON ENGINEERING LIMITED

Balance sheet as at March 31, 2019

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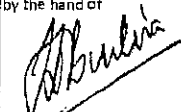
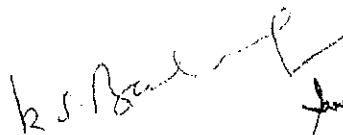
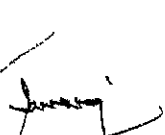
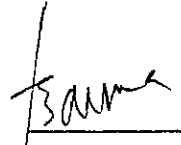
Particulars	Note	As at 31-03-2019		As at 31-03-2018	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3		755.66		723.47
Capital-work-in-progress	3		7.44		1.16
Intangible assets	3		4.78		2.09
<b>Financial assets</b>					
Investments	4	168.89		168.60	
Trade receivables	5				
Loans	6	1,279.72		189.15	
Other financial assets	7	74.25		49.61	
			1,511.86		401.36
Deferred tax assets (net)			247.04		142.83
Other non-current assets	8		380.82		329.88
			2,918.60		1,600.79
<b>Current assets</b>					
Inventories	9		9.31		47.86
<b>Financial assets</b>					
Investments	10	2,602.89		1,202.00	
Trade receivables	11	1,869.34		1,918.94	
Cash and cash equivalent	12	682.89		1,256.96	
Other bank balances	13	0.02		0.10	
Loans	14	5.61		474.01	
Other financial assets	15	685.96		406.80	
			5,847.71		5,258.81
Other current assets	16		3,100.79		1,968.50
			8,957.81		7,275.17
<b>TOTAL ASSETS</b>			<b>11,876.41</b>		<b>8,875.90</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity share capital	17	1,000.05		1,000.05	
Instruments entirely equity in nature	18	768.00		760.00	
Other equity	19	229.41		249.80	
<b>TOTAL EQUITY</b>			<b>1,998.46</b>		<b>2,009.85</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	20	734.55			
Other financial liabilities	21	118.20		3.96	
			852.75		3.96
Provisions	22		24.91		15.30
			867.06		19.26
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	23	133.95			
Trade payables	24	2,745.31		2,998.10	
Other financial liabilities	25	366.62		220.72	
			3,245.88		3,218.82
Other current liabilities	26		5,507.01		3,477.02
Provisions	27		201.81		150.95
Liability for current tax			65.19		
			9,019.89		6,846.79
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>11,876.41</b>		<b>8,875.90</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>					
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>					
As per our report attached					
SHARP & TANNAN					
Chartered Accountants					
Firm's registration no. 109982W					
by the hand of					
					
P. D. Buchla Partner Membership no. 98332	K. S. Balasubramanyam Chief Financial Officer	Sivaram Nair Company Secretary M. No.: F3939	Subramanian Sarma CEO & Managing Director DIN: 00554221	T. Chinnappa Whole-time Director DIN: 05219775	
Place : Mumbai Date : April 22, 2019				Place : Mumbai Date : April 22, 2019	

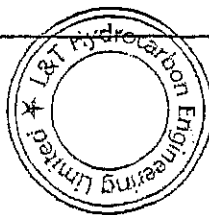
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**L&T HYDROCARBON ENGINEERING LIMITED**  
Statement of profit and loss for the year ended 31 March 2019

Particulars	Note	April - March 2019		April - March 2018	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>INCOME</b>					
Revenue from operations	29		12,694.82		11,044.35
Other income	30		267.98		133.32
<b>Total income</b>			<b>12,962.80</b>		<b>11,177.67</b>
<b>EXPENSES</b>					
Manufacturing, construction and operating expense	31				
Cost of raw materials and components consumed		4,966.73		4,202.65	
Excise duty				11.42	
Construction materials		406.11		604.72	
Sub-contracting charges		3,323.54		3,284.28	
Changes in inventories of work-in-progress and stock-in-trade		(16.61)		(10.10)	
Other manufacturing, construction and operating expenses		2,076.46		1,108.09	
			10,756.23		9,201.06
Employee benefits expense	32		807.14		715.29
Finance costs	33		22.39		8.41
Depreciation, amortisation and obsolescence			88.03		90.23
Other expenses	34		441.68		521.33
<b>Total expenses</b>			<b>12,115.47</b>		<b>10,536.32</b>
<b>Profit before tax</b>			<b>847.33</b>		<b>641.35</b>
Tax expenses:					
Current tax		344.31		277.39	
Deferred tax		(51.72)		(41.66)	
			291.59		235.73
<b>Profit after tax</b>			<b>554.74</b>		<b>405.62</b>
<b>Other comprehensive income</b>					
<b>A. Items that will not be reclassified to profit or loss</b>					
Remeasurements of the net defined benefit plans		(2.69)		6.08	
Income tax relating to remeasurements of the net defined benefit plans		0.94	(1.75)	(2.10)	3.98
<b>B. Items that will be reclassified to profit or loss</b>					
Effective portion of gains and losses on hedging instruments in cash flow hedges		(176.26)		196.57	
Cost of hedging reserve		1.19			
Deferred tax on cost of hedging reserve		(0.42)			
Income tax on effective portion of gains and losses on hedging instruments in cash flow hedges		61.60	(113.89)	(68.69)	127.88
<b>Total comprehensive income</b>			<b>439.10</b>		<b>537.48</b>
Basic earnings per equity share (₹)			4.57		3.32
Diluted earnings per equity share (₹)			3.15		2.30
Face value per equity share (₹)			10		10
NOTES FORMING PART OF FINANCIAL STATEMENTS	1-54				
As per our report attached SHARP & TANNAN Chartered Accountants Firm's registration no. 109982W by the hand of					
					
Firozshah U. Buchia Partner Membership no. 38332		K. S. Balasubramanyam Chief Financial Officer		Sivaram Nair Company Secretary M. No.: F3939	Subramenon Sarma CED & Managing Director DIN: 00554221
					T. Chinnappa Whole-time Director DIN: 05219775
Place : Mumbai Date: April 22, 2019					Place : Mumbai Date: April 22, 2019



L&T HYDROCARBON ENGINEERING LIMITED

Statement of cash flows for the year ended March 31, 2019

	FY 2018-19 ₹ crore	FY 2017-18 ₹ crore
<b>A. Cash flow from operating activities</b>		
Profit before tax	847.33	641.35
Adjustments for:		
Depreciation, amortisation and obsolescence	88.03	90.23
(Profit) / loss on fair value of investments	(3.72)	(1.97)
(Profit) / loss on sale of current investments	(0.89)	(3.43)
Interest expense	22.39	8.41
Interest income	(260.69)	(119.24)
(Profit) on sale of fixed assets (net)	(1.03)	(0.48)
Operating profit before working capital changes	691.42	615.47
Adjustments for:		
(Increase)/decrease in trade and other receivables	(2,709.99)	(1,024.58)
(Increase)/decrease in inventories	38.55	29.88
Increase/(decrease) in trade payables and customer advances	2,058.70	2,018.95
Cash (used in)/generated from operations	78.68	1,639.72
Direct taxes refund/(paid) - net	(318.34)	(203.01)
Net cash (used in)/from operating activities	(239.66)	1,436.71
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(131.09)	(96.70)
Sale of fixed assets (including advance received)	2.87	3.19
Purchase of non-current investments	(0.29)	(0.36)
(Purchase)/sale of current investments (net)	(1,396.28)	203.43
Inter-corporate deposit with holding and subsidiary companies (net of repayments)	470.26	(464.74)
Inter-corporate deposit with joint venture (net of repayments)	-	(192.88)
Interest received	247.40	119.24
Net cash (used in)/ from investing activities	(807.13)	(368.82)
<b>C. Cash flow from financing activities</b>		
Dividends paid	(331.21)	(60.90)
Additional tax on dividend	(42.26)	-
Repayment of long term borrowings	-	-
Inter-corporate borrowing from Holding Company (net of repayments)	54.03	-
(Repayments)/proceeds from other borrowings (net)	813.93	(43.65)
Interest paid	(21.85)	(8.41)
Net cash (used in)/ from financing activities	472.64	(112.96)
Net (decrease) / Increase in cash and cash equivalents (A + B + C)	(574.15)	954.93
Cash and cash equivalents at beginning of the year	1,257.06	302.13
Cash and cash equivalents at end of the year	682.91	1,257.06

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.
- Purchase of fixed assets includes movement of capital work-in-progress during the year
- Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised gain of ₹0.12 crore (previous year gain: ₹15.56 crore) on account of translation of foreign currency bank balances.
- Cash and cash equivalents are reflected in the balance sheet as follows:

	₹ crore	
	FY 2018-19	FY 2017-18
(a) Cash and cash equivalents disclosed under current financial assets [Note 12]	682.89	1,256.96
(b) Cash and cash equivalents disclosed under current financial assets [Note 13]	0.02	0.10
	682.91	1,257.06

- Previous year's figures have been regrouped/reclassified wherever applicable.

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

Firdosh O. Buchia  
Partner  
Membership no. 38932

K. S. Balasubramanyam  
Chief Financial Officer

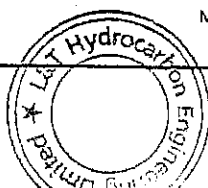
Sivaram Nair  
Company Secretary  
M. No.: F3939

Subramanian Sarma  
CEO & Managing Director  
DIN: 00554221

T. Chinnappa  
Whole-time Director  
DIN: 05219775

Place : Mumbai  
Date: April 22, 2019

Place : Mumbai  
Date: April 22, 2019



L&T HYDROCARBON ENGINEERING LIMITED

Balance sheet as at March 31, 2018

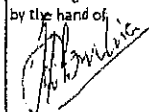
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Particulars	Note	As at 31-03-2018		As at 31-03-2017	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3		723.47		777.10
Capital-work-in-progress	3		1.16		3.68
Intangible assets	3		2.03		2.12
<b>Financial assets</b>					
Investments	4	168.60		168.24	
Trade receivables	5	3.74		49.27	
Loans	6	189.15		2.49	
Other financial assets	7	43.61		41.06	
			405.10		261.06
Deferred tax assets (net)			142.83		259.18
Other non-current assets	8		379.88		273.75
			1,604.47		1,576.89
<b>Current assets</b>					
Inventories	9		47.86		77.74
<b>Financial assets</b>					
Investments	10	1,202.00		1,400.63	
Trade receivables	11	1,915.20		1,075.35	
Cash and cash equivalent	12	1,256.96		296.39	
Other bank balances	13	0.10		5.74	
Loans	14	474.01		11.57	
Other financial assets	15	406.86		509.35	
			5,255.07		3,299.03
Other current assets	16		1,968.50		1,523.26
			7,271.43		4,900.03
<b>TOTAL ASSETS</b>			<b>8,875.90</b>		<b>6,476.92</b>
<b>EQUITY AND LIABILITIES:</b>					
<b>EQUITY</b>					
Equity share capital	17	1,000.05		1,000.05	
Instruments entirely equity in nature	18	760.00		760.00	
Other equity	19	249.80		(214.38)	
			2,009.85		1,545.67
<b>LIABILITIES:</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Other financial liabilities	20	3.96		10.02	
			3.96		10.02
Provisions	21		15.30		13.72
			19.26		23.74
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	22			43.65	
Trade payables	23	3,493.25		1,689.23	
Other financial liabilities	24	220.72		299.48	
			3,713.97		2,032.36
Other current liabilities	25		2,981.87		2,676.99
Provisions	26		150.95		151.34
Current tax liabilities (net)	27				46.82
			6,846.79		4,907.51
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>8,875.90</b>		<b>6,476.92</b>

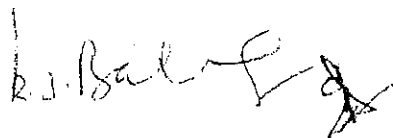
NOTES FORMING PART OF FINANCIAL STATEMENTS

1-54

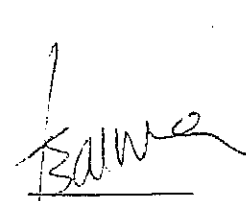

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of



Firdosh D. Buchia  
Partner



K. S. Balasubramanyam  
Chief Financial Officer

Subramanian Sarma  
CEO & Managing Director

T. Chinnappa  
Whole-time Director

MIS/CO/Finp No. 38332

Place : Mumbai  
Date : April 25, 2018

Place : Mumbai  
Date : April 25, 2018

160

**L&T HYDROCARBON ENGINEERING LIMITED**  
Statement of profit and loss for the year ended March 31, 2018

Particulars	Note	2017-18		2016-17	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>INCOME</b>					
Revenue from operations	28		11,044.35		8,786.63
Other income	29		139.32		58.32
<b>Total income</b>			<b>11,177.67</b>		<b>8,844.93</b>
<b>EXPENSES</b>					
Manufacturing, construction and operating expense	30				
Cost of raw materials and components consumed		4,202.65		3,368.12	
Excise duty		11.42		3.67	
Construction materials		604.72		91.29	
Sub-contracting charges		3,284.28		2,623.95	
Changes in inventories of work-in-progress and stock-in-trade		(10.10)		16.65	
Other manufacturing, construction and operating expenses		1,169.20		892.89	
			9,262.17		6,996.57
Employee benefits expense	31		715.29		696.44
Finance costs	32		8.41		28.01
Depreciation, amortisation and obsolescence			90.23		94.28
Other expenses	33		460.22		326.27
<b>Total expenses</b>			<b>10,536.32</b>		<b>8,141.57</b>
<b>Profit before tax</b>			<b>641.35</b>		<b>703.36</b>
<b>Tax expenses:</b>					
Current tax / MAT		277.39		128.45	
Less: MAT credit entitlement				128.45	
Current tax		277.39			
Deferred tax		(41.66)		267.04	
<b>Profit after tax</b>			<b>235.78</b>		<b>267.04</b>
			405.62		436.32
<b>Other comprehensive income</b>					
<b>A. Items that will not be reclassified to profit or loss</b>					
Remeasurements of the net defined benefit plans		6.08		(0.14)	
Income tax relating to remeasurements of the net defined benefit plans		(2.10)	9.98	(0.01)	(0.15)
<b>B. Items that will be reclassified to profit or loss</b>					
Gains and losses on hedging instruments in cash flow hedges		196.57		(101.66)	
Income tax relating to gains and losses on hedging instruments in cash flow hedges		(68.69)	127.88	35.18	(66.48)
<b>Total comprehensive income</b>			<b>537.48</b>		<b>369.69</b>
Basic earnings per equity share (₹)			3.32		4.96
Diluted earnings per equity share (₹)			2.30		2.48
Face value per equity share (₹)			10		10

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

Firdosh D. Buchia  
Partner  
Membership No. 38392

K. S. Balasubramanyam  
Chief Financial Officer

Alpana Khaik  
Company Secretary

Subramanien Sarma  
CEO & Managing Director  
DIN: 00554221

T. Chinnappa  
Whole-time Director  
DIN: 05219775

Place : Mumbai  
Date: April 25, 2018

Place : Mumbai  
Date: April 25, 2018

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**L&T HYDROCARBON ENGINEERING LIMITED**

**Cash flow statement for the year ended March 31, 2018**

	FY 2017-18 ₹ crore	FY 2016-17 ₹ crore
<b>A. Cash flow from operating activities</b>		
Profit before tax	641.35	703.36
Adjustments for:		
Depreciation, amortisation and obsolescence	90.23	94.28
(Profit) / loss on fair value of Investments	(1.37)	(0.63)
(Profit) / loss on sale of current investments	(3.43)	(1.57)
Exchange difference on Items grouped under financing / investing activities	0.00	(1.83)
Interest expense	8.41	28.01
Interest income	(119.74)	(45.09)
(Profit) on sale of fixed assets (net)	(0.48)	(1.87)
Operating profit before working capital changes	615.47	774.66
Adjustments for:		
(Increase)/decrease in trade and other receivables	(1,024.58)	312.69
(Increase)/decrease in Inventories	29.88	31.56
Increase/(decrease) in trade payables and customer advances	2,018.95	1,140.48
Cash (used in)/generated from operations	1,639.72	2,259.39
Direct taxes refund/(paid) - net	(203.01)	(81.63)
Net cash (used in)/from operating activities	1,436.71	2,177.76
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(36.70)	(90.14)
Sale of fixed assets (including advance received)	3.19	20.03
Purchase of non-current investments	(0.36)	(0.00)
(Purchase)/Sale of current investments (net)	203.43	(1,398.08)
Inter-corporate deposit with holding and subsidiary companies (net of repayments)	(464.74)	-
Inter-corporate deposit with joint venture (net of repayments)	(192.88)	-
Interest received	119.74	45.09
Net cash (used in)/ from investing activities	(368.82)	(1,423.10)
<b>C. Cash flow from financing activities</b>		
Interim dividend on preference shares	(60.90)	-
Inter-corporate borrowing from Holding Company (net of repayments)	-	(505.67)
(Repayments)/proceeds from other borrowings (net)	(43.65)	(75.10)
Interest paid	(8.41)	(27.99)
Net cash (used in)/ from financing activities	(112.96)	(608.76)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	954.93	145.90
Add: Cash and cash equivalents of transferred undertaking received as part of Scheme	-	36.56
Cash and cash equivalents at beginning of the period	302.13	119.67
Cash and cash equivalents at end of the period	1,257.06	302.13

**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.
- Purchase of fixed assets includes movement of capital work-in-progress during the year
- Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised gain of ₹ 15.56 crore (previous year gain: ₹ 10.84 crore) on account of translation of foreign currency bank balances.
- Cash and cash equivalents are reflected in the balance sheet as follows:

	₹ crore	
	FY 2017-18	FY 2016-17
(a) Cash and cash equivalents disclosed under current financial assets [Note 12]	1,256.96	296.39
(b) Cash and cash equivalents disclosed under current financial assets [Note 13]	0.10	5.74
	1,257.06	302.13

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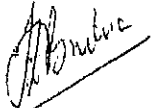
L&T HYDROCARBON ENGINEERING LIMITED

Cash flow statement for the year ended March 31, 2018

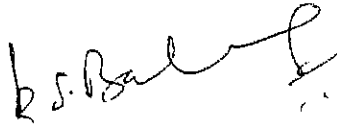
5. Effective April 1, 2017, the Company adopted the amendment to IndAS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cashflows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

6. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of



Firdosh D. Buchia  
Partner  
Membership No. 38332




K. S. Balasubramanyam  
Chief Financial Officer



Alpina Khale  
Company Secretary



Supramanian Sarma  
CEO & Managing Director  
DIN: 00554221



T. Chinnappa  
Whole-time Director  
DIN: 05219775

Place : Mumbai  
Date: April 25, 2018

Place : Mumbai  
Date: April 25, 2018

### Meaning of internal financial controls over financial reporting

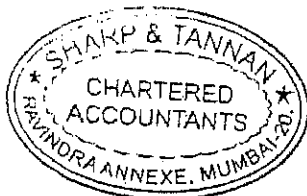
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. 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 Ind AS 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 Ind AS 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 2017, 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 issued by the ICAI.



Mumbai 27 April 2017

SHARP & TANNAN  
Chartered Accountants  
Firm's registration no. 109982W  
by the hand of

A handwritten signature in black ink, appearing to read "Firdosh D. Buchia".

Firdosh D. Buchia  
Partner  
Membership no. 38332

**L & T HYDROCARBON ENGINEERING LIMITED**

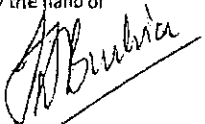
**Balance sheet as at March 31, 2017**

Particulars	Note	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
		₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
<b>ASSETS:</b>							
<b>Non-current assets</b>							
Property, plant and equipment	3		777.10		792.46		873.87
Capital-work-in-progress	3		3.68		8.90		12.44
Intangible assets	3		2.12		2.22		3.15
<b>Financial assets</b>							
Investments	4	168.24		228.75			
Loans	5	2.49		0.39		15.59	
Other financial assets	6	41.06		11.22		45.50	
			211.79		240.36		61.09
Deferred tax assets (net)	36(xi)		259.18		362.60		392.12
Other non-current assets	7		57.34		52.54		48.10
			<u>1,311.21</u>		<u>1,459.08</u>		<u>1,390.77</u>
<b>Current assets</b>							
Inventories	8		77.74		109.30		4
<b>Financial assets</b>							
Investments	9	1,400.63		-			
Trade receivables	10	1,124.62		1,428.31		1,341.33	
Cash and cash equivalent	11	296.39		119.67		197.06	
Other bank balances	12	5.74					
Loans	13	6.05		6.81		8.87	
Other financial assets	14	514.87		406.02		356.60	
			3,348.30		1,960.81		1,903.86
Current tax assets (net)	15				32.28		51.40
Other current assets	16		1,739.67		1,935.13		1,981.16
			<u>5,165.71</u>		<u>4,037.52</u>		<u>3,977.91</u>
<b>TOTAL ASSETS</b>			<u><b>6,476.92</b></u>		<u><b>5,496.60</b></u>		<u><b>5,368.68</b></u>
<b>EQUITY AND LIABILITIES:</b>							
<b>EQUITY:</b>							
Equity share capital	17	1,000.05		1,000.05		1,000.05	
Other equity	18	545.62		165.14		(195.89)	
			1,545.67		1,165.19		804.16
<b>LIABILITIES:</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings	19					150.03	
Other financial liabilities	20	10.02		10.17		49.03	
			10.02		10.17		199.06
Provisions	21		13.72		11.34		12.01
			<u>23.74</u>		<u>21.51</u>		<u>211.07</u>
<b>Current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings	22	43.65		624.42		859.76	
Trade payables	23	1,689.23		1,599.61		2,019.23	
Other financial liabilities	24	306.34		160.20		250.80	
			2,039.22		2,384.23		3,129.79
Other current liabilities	25		2,670.13		1,810.18		1,145.33
Provisions	26		151.34		115.49		78.33
Current tax liabilities (net)	27		46.82				
			<u>4,907.51</u>		<u>4,309.90</u>		<u>4,353.45</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			<u><b>6,476.92</b></u>		<u><b>5,496.60</b></u>		<u><b>5,368.68</b></u>
Significant accounting policies	2						

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Particulars	Note	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
CONTINGENT LIABILITIES	28			
COMMITMENTS (Capital and others)	29			

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of



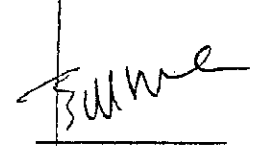
Firdosh D. Buchia  
Partner  
Membership No. 38332



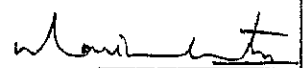
R. Venkatesh  
Chief Financial Officer



Alpana Khale  
Company Secretary



Subramanian Sarma  
CEO & Managing Director  
DIN: 00554221



K. Ravindranath  
Whole-time Director  
DIN: 00262462

Place : Mumbai  
Date: April 27, 2017

Place : Mumbai  
Date: April 27, 2017

*Review*

*AC*

**L & T HYDROCARBON ENGINEERING LIMITED**  
**Statement of profit and loss for the year ended March 31, 2017**

Particulars	Note	2016-17		2015-16	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>INCOME:</b>					
Revenue from operations	30		8,786.61		7,198.59
Other Income	31		58.52		11.10
<b>Total Income</b>			<b>8,844.93</b>		<b>7,209.69</b>
<b>EXPENSES:</b>					
<b>Manufacturing, construction and operating expenses:</b>					
Cost of raw materials and components consumed		3,868.12		2,375.19	
Excise duty		3.67		19.35	
Construction materials consumed		91.29		192.56	
Stores, spares and tools consumed		51.41		45.59	
Sub-contracting charges		2,623.95		2,478.56	
Changes in inventories of work-in-progress and stock-in-trade		18.63		(67.15)	
Other manufacturing, construction and operating expenses		841.48		917.52	
			<b>6,996.57</b>		<b>5,961.62</b>
Employee benefits expense	33		606.44		649.65
Sales, administration and other expenses	34		326.27		310.15
Finance costs	35		28.01		78.08
Depreciation, amortisation and obsolescence			94.28		101.41
<b>Total expenses</b>			<b>8,141.57</b>		<b>7,100.91</b>
<b>Profit before tax</b>			<b>703.36</b>		<b>108.78</b>
<b>Tax expenses:</b>					
Current tax (MAT)		128.45		19.14	
Less: MAT credit entitlement		128.45		19.14	
Net current tax					
Deferred tax		267.04		34.50	
			<b>267.04</b>		<b>50.28</b>
<b>Profit for the year</b>			<b>436.32</b>		<b>28.50</b>
<b>Other comprehensive income:</b>					
Remeasurements of the net defined benefit plans			(0.14)		2.51
Income tax relating to remeasurements of the net defined benefit plans			(0.01)		(0.87)
Gains and losses on hedging instruments in cash flow hedges			(101.66)		38.39
Income tax relating to gains and losses on hedging instruments in cash flow hedges			88.18		(13.29)
<b>Total comprehensive income</b>			<b>369.69</b>		<b>101.02</b>
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-36				