



NewSpace India Limited (NSIL)

A Central Public Sector Enterprise under Department of Space

2nd Annual Report 2020-21

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BOARD OF DIRECTORS



Shri RADHAKRISHNAN DURAIRAJ
Chairman and Managing Director



Shri ARUNACHALAM A
Director, Technical & Strategy



Shri UMAMAHESWARAN R
Director (ISRO Nominee)



Smt. SANDHYA VENUGOPAL SHARMA
Director (Government Nominee)

SUPERANNUATION



Shri Narayanan G
Chairman and Managing Director
(Superannuated on 31st July 2021)



Dr. VENKITAKRISHNAN P V
Director (ISRO Nominee)
(Superannuated on 31st May 2021)

CHAIRMAN'S SPEECH

Let me extend a warm welcome to all for this 2nd Annual General Body Meeting of the Company, NewSpace India Limited (NSIL). It is my honour to present the company's achievements and performance for the FY 2020 -21 and the future business outlook of the Company in the coming years.



During the year FY 2020 -21, Company achieved a revenue from operations of INR 432.67 Cr and a Profit after Tax of INR 121.84 Cr. The Company got exemption from payment of annual dividend for the FY 2020-21.

In June 2020, as part of Space Reforms, an initiative by the Government of India, under "Unlocking India's potential in Space Sector", the Company's mandate got significantly enhanced. Major highlight has been NSIL being vested with the responsibility of undertaking space-based missions on a "Demand Driven" based approach. NSIL mandate includes, building, owning, launching, operating satellites and providing end-to-end services to the customers in addition to many others.

Company made substantial progress in all its business segments. One of the major business highlight during the year has been NSIL undertaking its **1st Dedicated Commercial PSLV Launch Service Mission** for Amazonia-1 satellite of INPE, Brazil during February 2021.

Towards enhancing Indian Industry participation in taking up end-to-end realisation of launch vehicles, NSIL released RFP for realising 5 Nos of PSLV's through Indian Industry partner. As part of its mandate of owning and operating the satellites on Demand Driven model, the Company has taken up the activity for realising a Ku Band Communication Satellite through ISRO, including its launch and providing space-based services on an end-to-end basis, for an Indian DTH customer. Discussions are also underway for building two more communication satellites on similar model for Indian customers viz., Ku Band Communication Satellite for DTH operator and HTS Communication Satellite for Broadband communication need of the nation. In the area of Technology Transfer, the Company has signed 15 Technology Transfer Agreements and has transferred 8 ISRO developed Technologies to Indian Industry.

Globally, the Space industry is witnessing transformational growth with increased participation of private industries, startups and private investors and the emerging scenario is changing the landscape of space industry. Towards this trend, NSIL has to play a bigger role of transforming Indian Industries into a space manufacturing hub. NSIL would emerge as a Satellite operator and would provide commercially competitive and reliable communication satellite services to users through Indian satellite capacity.

The Company is complying with the Department of Public Enterprises (DPE) Guidelines on Corporate Governance. A report on Corporate Governance compliances has been made part of the Board's report. A report on the Corporate Social Responsibility and Sustainable Development activities is also made part of the Board's Report.

Sd/-
(Radhakrishnan D)
Chairman and Managing Director



Vision

“Excel in providing space related products and services emanating from Indian Space Programme to global customers and to further spur the growth of Indian Industry in undertaking technologically challenging space related activities”

Mission

“Enabling Indian Industries to scale up high-technology manufacturing base for space programme through technology transfer mechanisms, catering to emerging global commercial small satellite launch service market, satellite services for various domestic and international application needs and enabling space technology spin-offs for betterment of mankind through industry interface”

Board of Directors

Functional/Whole Time Directors

Shri Radhakrishnan D, Chairman and Managing Director (from 01.08.2021)

Shri Arunachalam A, Director (Technical & Strategy) (from 01.08.2021)

Part-time Official/Government Director:

Smt. Sandhya Venugopal Sharma, IAS, Joint Secretary, DOS

ISRO Nominee Director:

Shri Umamaheswaran R, Scientific Secretary, ISRO HQ

Management Team

Chairman and Managing Director - Shri Radhakrishnan D (from 01.08.2021)

- Shri Narayanan G (till 31.07.2021)

Director (Technical & Strategy) - Shri Arunachalam A (from 01.08.2021)

- Shri Radhakrishnan D (till 31.07.2021)

Company Secretary - Smt. Renu K (from 16.04.2021)

Committees of the Board

(As on 13.08.2021)

Audit Committee

Smt. Sandhya Venugopal Sharma- Chairperson

Shri Umamaheshwaran R

Shri Arunachalam A

Remuneration Committee

Smt. Sandhya Venugopal Sharma- Chairperson

Shri Umamaheshwaran R

CSR Committee

Smt. Sandhya Venugopal Sharma- Chairperson

Shri Umamaheshwaran R

Shri Arunachalam A



NewSpace India Limited (NSIL)
A CPSE under DOS

Bankers

State Bank of India,
Dollar Colony Branch,
New BEL Road,
Bengaluru-560 054

ICICI Bank,
8th Main,
Malleswaram,
Bengaluru

Auditors

M/s Pal & Shanbhogue,
Chartered Accountants,
24, 4th Main Road,
Malleshwaram,
Bengaluru-560 003

Advocates & Solicitors

M/s King Stubb & Kasiva,
Branch Office at:
1A, Lavelle Mansion,
½ Lavelle Road,
Bengaluru-560 001

Company Secretaries

BRKS & Associates

DIRECTORS' REPORT

To
The Members
NewSpace India Limited
Bengaluru

It is indeed a pleasure to present the Second Annual Report on the business and operations of the Company along with the audited financial statements, Auditor's Report and the comments of the Comptroller and Auditor General of India (CAG) for the year ended 31st March 2021.

REVIEW OF BUSINESS

The company has been created to commercially exploit the products and services emanating from the Indian Space Programme and to serve the domestic and global customers, as well as to enable Indian Industries to scale up high-technology manufacturing base for space programme through technology transfer mechanisms.

During June 2020, as part of Space Reforms "Unlocking India's potential in space sector", an initiative by Government of India, NSIL got mandated to undertake End to End Commercial Space Activities related to Satellites and Launch Vehicle Systems. NSIL has the primary mandate of undertaking space missions on a "Demand Driven" based model as compared to the "Supply Driven" model that existed earlier.

As part of Space Reforms, the Enhanced Mandate of NSIL is as indicated below:

- **Owning satellites** for Earth Observation and Communication applications and providing space-based services
- **Building satellites** and launching them as per demand
- **Providing Launch Services** for satellite belonging to customer
- **Building launch vehicles** through Indian Industry and launch as per satellite customer requirement
- **Space based Services** related to Earth Observation and Communication satellites on commercial basis
- **Satellite building** through Indian Industry
- **Mission Support Services** to National and International Customers
- **Technology Transfer** to Indian Industry

The more details on the business operations are provided in the Management Discussion and Analysis Report.

FINANCIAL SUMMARY / HIGHLIGHTS

The Company started its operations in the first year itself. During the FY 2020-21, Company has achieved revenue from operations of INR 43,266.54 Lakhs and a Profit after Tax of INR 12,184.17 Lakhs. The highlights are given below:

Particulars	For the Financial Year 20-21 (INR in Lakhs)	For the Financial Year 19-20 (INR in Lakhs)
Domestic Turnover	16,443.75	3,293.18
Export Turnover	26,822.79	28,158.44



Other Income	1,167.71	725.47
Total Revenue	44,434.25	32,177.09
Total Expenditure	28,101.60	25,320.08
Profit/ (Loss) Before Tax	16,332.65	6,857.01
Tax	4,148.48	1,727.56
Profit/ (Loss) After Tax	12,184.17	5,129.45
Proposed Dividend on Equity Shares	Exempted	1,540.00
Transfer to General Reserve	NIL	NIL

DIVIDEND

In accordance with the recommendation of the Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDS) held on 12.03.2021 under the Chairmanship of Secretary, Department of Investment and Public Asset Management (DIPAM) vide F. No. 4 (30) (1)/2018-DIPAM-I (Pt) dated 18.03.2021, NSIL is exempted from payment of annual dividend for the FY 2020-21.

RESERVES

The Board has not recommended transfer of profits to General Reserves.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the period.

MATERIAL / SIGNIFICANT CHANGES

After the closure of FY 2020-21, there was no material or significant changes.

ORDERS PASSED BY THE REGULATORS

Department of Investment and Public Asset Management (DIPAM) vide F. NO. 4 (30) (1)/2018-DIPAM-I (Pt) dated 18.03.2021 has exempted NSIL from payment of annual dividend for the FY 2020-21.

SUBSIDIARY COMPANIES/ JOINT VENTURES

The company does not have any Subsidiary, Joint Venture or Associate Company as per the provisions of the Companies Act, 2013.

DEPOSITS

The Company has not accepted any Deposits and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

LOANS, GUARANTEES & INVESTMENTS

The Company has not made any Loans, Guarantees or Investments during the year.

INTERNAL FINANCIAL CONTROLS

The Company has effective internal financial Controls with reference to the financial statements. M/s Ramesh Ashwin & Karanth, Chartered Accountants, were engaged to carry out Internal Audit during the year under report. This has helped to ensure adequacy of systems and controls. Their reports thereon were further reviewed by the Audit Committee appointed by the Board. Internal Audit Reports along with corrective actions taken are reviewed by the Audit Committee. The Audit Committee also reviews the adequacy and effectiveness of internal control.

SHARE CAPITAL

The authorised capital of the Company as on 31st march 2021 is INR 1,00,00,00,000/-(Rupees Hundred Crores only) divided into 10,00,00,000 equity shares of INR 10/- each.

The Total issued and paid-up capital of the Company as on 31st march 2021 is INR 10,00,00,000/-(Rupees Ten Crores only) divided into 1,00,00,000 equity shares of INR 10/- each fully paid up.

OUTSOURCING

The Company, based on the requirements and nature of activities, outsources the activity to Indian Industries.

PROCUREMENT FROM MICRO & SMALL ENTERPRISES (MSES)

The Company's activities are primarily Marketing of ISRO's space products and services and project management. From the limited scope, the Company made procurement of goods/ services from MSEs to the extent of INR 31.09 Lakhs. The procurement from Non-MSEs has been to the tune of INR 26.74 Lakhs.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT (CSR & SD)

As the Company had begun its commercial activities only from 2019-20, the net profit of that year is considered for arriving the mandated CSR&SD fund allocation for 2020-21. An amount of INR 138.00 Lakhs has been earmarked for CSR &SD activities as per DPE guidelines. An amount of INR 104.67 Lakhs has been spent/ committed and remaining amount of INR 33.33 Lakhs will be deposited in the Funds listed in Schedule-VII of the Companies Act, 2013 within the prescribed due dates. More details on the activities are captured in the **Annual Report on the CSR & SD activities** for the financial year 2020-21.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company is under the administrative control of the Department of Space (DOS). For the employees, who are from DOS/ ISRO on working arrangement basis, their remunerations are being reimbursed to DOS/ ISRO.

The Disclosure of related party transactions as per AS-18 issued by the Institute of Chartered Accountants of India, is given at Note no 8 of the Notes forming part of the Financial Statements for the Financial Year 2020-21.

HUMAN RESOURCE DEVELOPMENT

The operations of the Company are being managed by the executives deputed from DOS/ ISRO and recruited through open advertisement. During the current financial year 2020-21, the Company has recruited 7 personnel on its payroll. The Company has complied with the rules on reservations.

AUDITORS

C&AG vide letter no. No./CA.V/COY/CENTRAL GOVERNMENT, NSIL(1)/572 Dated 19/08/2020 appointed M/s Pal & Shanbhogue, Chartered Accountants, Bengaluru as Statutory Auditors of the company for the year 2020-21.

FRAUDS REPORTED BY THE AUDITOR

No frauds have been reported by the Auditors during the year 2020-21.

COMMENTS & EXPLANATIONS ON STATUTORY AUDITOR'S REPORT

There was no qualification, reservation, adverse remark or disclaimer made by the auditors in their Audit Report for financial year 2020-21.



COMMENTS & EXPLANATIONS ON CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Comments on the observations in the secretarial audit report of M/s. BRKS & Associates, Company Secretaries, are as under-

Observations	Comments/ Explanations
Not held 4 Minimum Board Meetings	<p>The Government of India had imposed strict lockdowns during initial days of the Covid-19 from March 2020 to June 2020 and the Ministry of Corporate Affairs vide its General Circular No.11/2020 dated 24th March 2020 had permitted the companies to hold the Board meetings with an interval of not more than 180 days instead of 120 days as per section 173 of the Companies Act, 2013.</p> <p>Since, the complete lockdowns are first of its kind in the world, the Company could not plan for virtual meetings. Accordingly, only three Board Meetings could be held during the year 2020-21.</p>
Not appointed the Independent Directors	<p>The Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors (including functional Directors) would be determined by Government of India through Department of Space (DOS).</p> <p>The DOS is in the process of appointing the Independent Directors in the Company.</p>
Not implemented the whistle Blower Policy	<p>The Company is in the process of formulating its Whistle Blower Policy.</p>

AUDITORS' REPORT

The Auditors' Report on the Annual Accounts for the financial year 2020-21 and comments of the Comptroller & Auditor General of India under Section 143(6) of the Companies Act, 2013, together with Management Reply thereon, are appended to this Report.

SIGNIFICANT ACHIEVEMENT DURING THE YEAR

The details on the business operations are provided in the *Management Discussion and Analysis Report*. One of the major achievements during the year was the launch of Amazonia-1 satellite of INPE, Brazil onboard PSLV-C51 flight on 28 February 2021. PSLV-C51/ Amazonia-1 Mission was the First Dedicated Commercial Mission of NSIL.



Launch of PSLV-C51/Amazonia-1 on February 28, 2021

FUTURE OUTLOOK

NSIL will build, launch, own and operate future communication satellite missions on commercial and Demand Driven model. In addition, NSIL will start producing and owning ISRO's launch vehicles through its production from Indian Industry. As part of building, launching, owning and operating the satellites on Demand Driven model, NSIL has taken up the activity for realising a Ku Band Communication Satellite for an Indian DTH operator including its launch and providing space-based services on an end-to-end basis. In addition, discussions are also underway for building two more communication satellites for Indian customers viz. Ku Band Communication Satellite for other DTH operators and HTS Communication Satellite for Broadband communication needs. Government is also in the process of transferring in-orbit Communication Satellites to NSIL.



DIRECTORS & BOARD MEETINGS

The Board consisted of the following Directors as on 31st March 2021:

1. Shri Narayanan G – Chairman and Managing Director
2. Shri Radhakrishnan D – Director (Technical & Strategy)
3. Smt. Sandhya Venugopal Sharma, Joint Secretary, DOS - Government Nominee Director
4. Shri Umamaheshwaran, Scientific Secretary - ISRO Nominee Director
5. Dr. Venkitakrishnan P V, Director, CBPO, ISRO-HQ - ISRO Nominee Director

During the year till 31st March 2021, the following change in the Board has taken place-

- Smt T.K. Anuradha superannuated from the services of ISRO / DOS and relinquished the position of Director w.e.f. 30th April 2020 and Shri R Uma Maheswaran, Scientific Secretary, ISRO/ DOS was appointed as Nominee Director in her place w.e.f. 22nd June 2020.

BOARD MEETINGS

During the year, three Board meetings were held, the details of which form part of the Corporate Governance Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors (Functional Directors including CMD) would be determined by Government of India through Department of Space including the period of appointment and other terms & conditions.

The Government/ ISRO Nominee Directors are appointed by the Department of Space and they are not entitled to any remuneration/ sitting fees.

The Non-Executive Independent Directors would be appointed by Government of India, and they are entitled to sitting fees for attending the Board/ Committee meetings, as prescribed by the Board, in adherence with the statutory rules and regulations.

The Company, being a Government Company, the requirement for framing policy on Directors' appointment and remuneration including criteria for determining qualifications etc, is not required pursuant to the Ministry of Corporate Affairs (MCA) Notification No GSR 463 (E) dated 5th June, 2015.

FORMAL ANNUAL EVALUATION OF BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the Notification No. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, the Company being a Government Company, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors is not required as the performance of directors is evaluated by the Administrative Ministry.

PARTICULARS OF REMUNERATION OF EMPLOYEES

The Company does not fall under the category as specified under Section 197(12) of Companies Act, 2013. Hence, disclosure regarding remuneration of employees is not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

- a) **Conservation of energy:** The Company's operations are not energy intensive.
- b) **Technology Absorption:** The Company's operations are primarily to commercialize the products and services developed by the ISRO /DOS, the parent Organization/ administrative Department.
- c) **Foreign Exchange Earnings and Outgo:**

	Amount in Lakhs		
Foreign Exchange Earnings	FE (USD)	FE (Euro)	Equivalent INR
Launch Services	102.02	99.75	16,044.97
Other Services (Optional Services)	1.73	0.37	157.66
TOTAL	103.75	100.12	16,202.63
Foreign Exchange Outgo			
Cost of Technical Services	99.51	0	7,370.47
Other Payments	-	0.10	8.99
TOTAL	99.51	0.10	7,379.46

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

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

WEBLINK OF ANNUAL RETURN

The Companies (Amendment) Act 2017, effective from 20th August 2020, has amended Section 92(3), which now provides that every company shall place a copy of the Annual Return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.

In accordance thereof, the web link where such annual return is available is as under-

<https://www.nsilindia.co.in/annual-report>



COST RECORDS

Maintenance of Cost Records is not applicable to the Company.

The Company places great emphasis on Corporate Governance and in maintaining the principles of transparency, honesty, integrity, accountability, compliance of laws, procedures and meeting ethical standards. The Company is complying with the Department of Public Enterprises (DPE) Guidelines on Corporate Governance.

CORPORATE GOVERNANCE

Corporate Governance is about promoting Corporate fairness, transparency and accountability. Corporate Governance is a system of structuring operating and controlling an organization with a view to achieving long term strategic goals to satisfy the stake holders and complying with the legal and regulatory requirements. It is concerned with the morals, ethics, values parameters, conduct and behaviour of the company and management.

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by Department of Public Enterprises (DPE). The report on **Corporate Governance** as stipulated under the DPE Guidelines forms an integral part of this report. The requisite certificate from M/s. BRKS & Associates, Company Secretaries, Bengaluru confirming compliance with the conditions of Corporate Governance is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under the DPE Guidelines is annexed and forms part of the Annual Report.

SECRETARIAL STANDARDS

The Company is complying with the Secretarial Standards with respect to Board and General Meetings.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

A Department of Space (administrative ministry) level committee named as 'Internal Complaints Committee' has been set up on 10th September 2020, wherein an employee of the company is a member of the committee. During the year there were no complaints.

IMPLEMENTATION OF OFFICIAL LANGUAGE

In accordance with the policy guidelines issued by Department of Official Language, Government of India, the Company has been implementing usage of Hindi, with the active cooperation of Rajbhasha division, ISRO HQ.

RISK MANAGEMENT POLICY

The Company has a Board approved Risk Management Policy which is subject to review from time to time taking into account various factors. The Board is provided with information on high risks identified and the plans for mitigation regularly.

EVENTS AFTER 31.03.2021

(a) Changes in the Board

1. Dr. Venkitakrishnan P V, Director, CBPO superannuated from the services of ISRO and also ceased to be a – ISRO Nominee Director of the Company w.e.f. 31st May 2021.

2. Shri Narayanan G superannuated from the services of ISRO and also ceased to be Chairman and Managing Director of the Company w.e.f. 31st July 2021.
3. Shri. Radhakrishnan D, Director (Technical & Strategy) was appointed as Interim Chairman and Managing Director vice Shri Narayanan G w.e.f. 1st August 2021.
4. Shri Arunachalam A, Executive Director of the Company was appointed as interim Director (Technical & Strategy) vice Shri Radhakrishnan D w.e.f. 1st August 2021.

The Board places on record its appreciation of the valuable services rendered by Shri Narayanan G and Dr. Venkitakrishnan P V as Chairman and Managing Director and Director of the Company respectively.



Shri Radhakrishnan D took over charge as CMD from Shri Narayanan G on 1st August 2021

(b) Appointment of Key Managerial Personnel (KMP)

Company has appointed Smt K Renu, ACS-19758 as Company Secretary of the Company w.e.f. 16th April 2021, who shall be one of the KMPs of the Company

(c) Increase in Authorized and Paid Up Share Capital

The Union Cabinet, in its meeting held on 25th August 2021, has accorded approval for increase in the Authorized Share Capital of the Company from INR 100 Crores to INR1000 Crores.

Further, the shareholders of the Company in its Extra Ordinary General (EGM) meeting held on 24th September 2021, have approved the increase in the Authorised Share Capital of the Company to INR 1000 crore from the existing INR 100 crore. The Company has also received equity contribution amounting to INR 700 crore from DOS in September 2021.



Accordingly the authorised capital of the Company as on date is INR 1000,00,00,000/-(Rupees One Thousand Crores only) divided into 100,00,00,000 equity shares of INR 10/- each and the total issued and paid-up capital of the Company as on date is INR 710,00,00,000/-(Rupees Seven Hundred and Ten Crores only) divided into 71,00,00,000 equity shares of INR 10/- each fully paid up.



Extra Ordinary General (EGM) meeting held on 24th September 2021

Impact of Covid-19

NSIL business operations were partly affected due to Covid-19 Pandemic. Activities related to processing of Request for Proposal for production/ manufacturing of Polar Satellite Launch Vehicle (PSLV) is delayed due to lockdown and restricted movements at various centres of DOS/ ISRO. Various customers have expressed difficulties in fulfilling their contractual obligations in terms of signing agreements/ MoU, security deposits, making payments, etc.

ACKNOWLEDGEMENTS

The Board acknowledges with thanks the continued support and cooperation received from various Government Departments including Department of Space (DOS), ISRO, DIPAM, DPE and MEA during the successful second year of operation of the Company.

The Board places on record its sincere appreciation towards the Company's valued customers for the support and confidence reposed by them in the Management of the Company and look forward to the continuance of this mutually supportive relationship in future.

The Board wishes to place on record its appreciation for the co-operation extended and services provided by the Comptroller & Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Statutory Auditors, Internal Auditors, Bankers, Collaborators and Suppliers.

The Board also wish to place on record their deep sense of appreciation for the committed services extended by the Company Executives, Staff and Workers towards progress and prosperity of the Company.

On behalf of Board of Directors
For NewSpace India Limited

Sd/-

Radhakrishnan D
Chairman and Managing Director

Date : 02.12.2021
Place: Bengaluru

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY SCENARIO

The four major areas of space sector are satellite manufacturing, Launch vehicle building and launch services, Ground Segment and Space Based/ Value added services. Nearly 85-90% of the revenue is generated from the Ground Segment and Space based/ value added services. Space industry is witnessing transformational growth with increased participation of private industries, startups and private investors across the globe and changing the competitive landscape of space industry. The focus is to provide cost effective and timely solutions for a wide range of space applications including synergetic applications using Earth Observation, Satellite Communication and Satellite Navigation.

In India, involvement of private industry and space startups in the Space activities are on the rise and in order to stimulate the growth in all the four major areas of Space Industry, Government of India announced “Space Reforms” in June 2020 as part of “Unlocking India’s Potential in Space Sector”.

ORGANISATION STRUCTURE

NSIL got incorporated during March 2019 as a wholly owned Government of India Undertaking/ Central Public Sector Enterprise (CPSE), under the administrative control of Department of Space. During February 2020, the Company was categorized as ‘Schedule A’ Company by Department of Public Enterprises.

Presently, the Company is being managed by the Board of Directors consisting of Chairman and Managing Director; Director (Technical & Strategy); Government Nominee Director and ISRO Nominee Director. Department of Space (DOS), the administrative ministry had initiated the process to appoint the Independent Directors as per the approved Articles of Association of the Company. The Company has recruited a few personnel on its own payroll. Considering the enhanced mandate of the company, it is in the process of recruiting more personnel on its own payroll.

PRODUCTS AND SERVICES

The Company was incorporated with the primary mandate of enabling Indian Industries to scale up high technology manufacturing base for space programme through technology transfer mechanism and commercially exploit space products and services emanating from the Indian Space Programme to global customers. The major area of business of the company is (i) production of Polar Satellite Launch Vehicle (PSLV) through Indian Industry (ii) launch services onboard ISRO Launch Vehicles (iii) building satellites as per user requirement and launch (iv) providing space based services, including satellite based communication, earth observation (v) mission support services; (vi) transfer of technology developed by ISRO Centres and constituent institutions of DOS (vi) marketing spin-off technologies and products/ services.

BUSINESS ACCOMPLISHMENTS DURING FY 2020- 21

As part of Space Reform initiative by Government of India, under “Unlocking India’s potential in Space Sector”, NSIL mandate has been significantly enhanced which includes, owning, building, launching and operating satellites; providing end-to-end services to the customers and undertaking space-based missions on a “Demand Driven” based approach.



Towards this initiative, NSIL has made good stride in all its major business activities. Major highlights are as under:

- **PSLV production through Indian Industry**

- One of the important mandates of NSIL is building launch vehicles through Indian Industry. In this regard, towards realization of 5 PSLV's through "Indian Industry", NSIL released the Request for Proposal (RFP) to Indian Industry partners. Responses received from Indian industry partners are under evaluation.

- **Launch Services on-board PSLV**

- During this period, NSIL has launched a total of 24 customer satellites onboard PSLV-C49 and PSLV-C51 missions.
- Nine customer satellites were launched onboard PSLV-C49 on November 7, 2020.
- NSIL, during Feb 2021, successfully undertook the 1st Dedicated commercial launch services mission and launched Amazonia-1 satellite of INPE, Brazil on-board PSLV-C51. In the same Amazonia-1 mission, NSIL also launched 14 co-passenger satellites, as rideshare, under separate commercial arrangement.
- As on date, NSIL has launched a total of 46 international customer satellites under commercial arrangements.
- In addition, NSIL has successfully secured and signed Four PSLV Dedicated Launch Service Agreement for International satellite Customers.

- **SATCOM services**

- NSIL, as part of SATCOM Services, is provisioning transponders in C, Ext. C, Ku and Ka band on-board INSAT/ GSAT satellites for meeting various applications needs like DTH, VSAT, TV, DSNG. In addition, NSIL is also provisioning transponder capacity from Foreign satellites to Indian users on a back-to-back arrangement basis. These transponder capacities are provisioned to various users from private/ public/ Government sector under 150+ Agreements/ MOUs.
- NSIL is in the process of commercializing HTS capacity on various INSAT/GSAT satellites namely GSAT-11, GSAT-19, and GSAT-29 to Private/ Public Sector.

- **Owning and operating the satellites on Demand Driven model**

- NSIL has taken up the activity for realising a Ku Band Communication Satellite for an Indian DTH operator including its launch and providing space-based services on an end-to-end basis. NSIL will be building this satellite through ISRO, getting it launched and will own and operate as well. This will be the 1st Demand Driven mission of NSIL.
- In addition, discussions are also underway for building two more communication satellites for Indian customers viz., Ku Band Communication Satellite for a DTH operator and HTS Communication Satellite for Broadband communication needs.

- **Satellite building as per customer requirements**

- NSIL is keen on venturing into Satellite building as per customer requirements by leveraging on ISRO's expertise and infrastructure. Towards this, NSIL has submitted Techno-Commercial Proposals to Indian and International customers, which includes (i) building Communication Satellite and Earth Observation Satellites (ii) providing Satellite Bus Platform (iii) providing Launch Services; (iv) establishing Ground Segment (v) providing capacity building/ training.

- **Mission Support Services**

- NSIL is closely working with global ground station operators and satellite owners to provide Mission Support Services for Satellites and Launch vehicle tracking.
- NSIL has provided Launch and Early Orbit Phase (LEOP) support to Amazonia-1 Mission of INPE, Brazil during Feb-Mar 2021. NSIL has also provided Launch Vehicle Tracking Support for an International Customer's Launch Vehicle during Jun-Jul 2021 and LEOP Support for an Indian Customer during Feb-Mar 2021.

- **Technology Transfer/ spin-off**

- NSIL has been mandated to transfer the Technologies emanating from R & D activities of ISRO/DOS Centers/ Units to Indian Industries for the larger benefit of stakeholders in the ecosystem. During this period, NSIL has signed 15 Technology Transfer Agreements for transferring 8 ISRO developed Technologies to Indian Industry.
- During the FY 2020-21, NSIL has signed MoU with Semi-conductor Laboratory, Chandigarh (a unit of DOS) to utilize the services of SCL for Development & Supply of ASICs and Systems/ Sub-systems as per User Requirements on Commercial Basis. Accordingly, NSIL is supplying ASICs to Indian Locomotive manufactures as per their requirements and is in the process of supplying customised systems as per the requirements of Indian Customers.



A Press Meet was organised on March 12, 2021 at Antariksh Bhavan, ISRO Headquarters, Bengaluru by NewSpace India Limited (NSIL) to brief the media on its activities and achievements. During this well attended meet, Mr. G Narayanan, CMD, NSIL and Mr. Radhakrishnan D, Director, Technical and Strategy, NSIL interacted with the regional, national and international media.



SWOT ANALYSIS

SWOT analysis is important for the Company to understand Industry Scenario and emerging trends to formulate business strategy to gain competitive advantage and position its products and services in the market. Accordingly, NSIL has performed SWOT analysis and has considered its outcome for planning and strategizing business operations.

PRODUCT-WISE PERFORMANCE

(INR in Lakhs)

Business Segment	EXPORTS	DOMESTIC	TOTAL
Launch Services	26,822.79	16,443.75	43,266.54
Mission Support Services			
Space Segment Communication (Transponder Lease)			
Sale of Products			
Technology Transfer			

FUTURE OUTLOOK

The company with its enhanced mandate and increased autonomy is geared up to build, launch, own and operate satellites and provide end-to-end services to the customers, effectively. It will also build, all operational launch vehicles of ISRO through Indian Industry and will eventually own them. The company is also working out mechanisms for transfer of ISRO's technology know how to Industries to build effective Indian Space Ecosystem.

MEASURES TO TACKLE CHALLENGES

Company understands the risks in the business areas it has embarked and will take suitable measures for risk mitigation. Company will take measures to counter the risks and challenges, in consultation with Administrative Ministry.

FINANCIAL PERFORMANCE

The Financial Performance is provided in the Directors Report.

HUMAN RESOURCE DEVELOPMENT

The Company's operations are managed by well experienced and senior executives deputed from DOS/ISRO. During this financial year, the company has recruited a few personnel on its own payroll. Considering the enhanced mandate of the company, it is in the process of recruiting more personnel on its payroll.

ENVIRONMENT PROTECTION AND CONSERVATION

As the Company does not own & operate any manufacturing facility nor its operations involve any environment impacting activities, the Company does not cause any environmental / conservation issues.

CORPORATE GOVERNANCE REPORT

Philosophy

The Company defines the philosophy of Corporate Governance as one which spells out the long-term sustainability with strong fundamentals. Corporate Governance involves a set of relationships between a Company's management, its Board, its shareholders and other stakeholders. It provides a principled process and structure through which the objectives of the company, the means of attaining the objectives and systems of monitoring performance are also set.

The Company places great emphasis on Corporate Governance and in maintaining the principles of transparency, honesty, integrity, accountability, compliance of laws, procedures and meeting ethical standards. The Company is complying with the Department of Public Enterprises (DPE) Guidelines on Corporate Governance. The Board presents its report on Corporate Governance for the Financial Year 2020-21.

Board of Directors

Article 58(3) of the Articles of Association of the Company provides for the following Board Structure:

- (a) Chairman and Managing Director
- (b) Director (Technical & Strategy)
- (c) Director - Finance
- (d) Two Government Directors
- (e) Two ISRO Nominee Directors
- (f) Three Independent Directors

Composition of Board of Directors as on 31.03.2021:

Sl.No	Name of Director	Designation	Nature of Directorship	Date of Assuming Office
1	Shri. Narayanan G	Chairman and Managing Director	Executive	30.01.2020
2	Shri. Radhakrishnan D	Director (Technical & Strategy)	Executive	06.03.2019
3	Smt. Sandhya Venugopal Sharma IAS, Joint Secretary (DOS)	Director (GOI Nominee)	Non- Executive-Nominee Director	16.03.2020
4	Shri. Umamaheswaran R Scientific Secretary (DOS)	Director (ISRO Nominee)	Non- Executive-Nominee Director	22.06.2020
5	Dr. Venkitakrishnan P V Director CBPO, ISRO	Director (ISRO Nominee)	Non- Executive-Nominee Director	16.03.2020

Appointment and Cessation of Directors during the year

During the year, the following change in the Board has taken place-

Smt T. K. Anuradha superannuated from the services of ISRO / DOS and relinquished the position of ISRO Nominee Director in the Company w.e.f 30th April 2020 and Shri Umamaheswaran R, Scientific Secretary, ISRO / DOS was appointed as ISRO Nominee Director in her place w.e.f. 22nd June 2020.



Meetings

During the year 2020-21, the Board met three times on 22.06.2020, 08.10.20 and 29.01.2021.

The Government of India had imposed strict lockdowns during initial days of the Covid-19 from March 2020 to June 2020 and the Ministry of Corporate Affairs vide its General Circular No.11/2020 dated 24th March 2020 had permitted the companies to hold the Board meetings with an interval of not more than 180 days instead of 120 days as per section 173 of the Companies Act, 2013.

Since, the complete lockdowns are first of its kind in the world, the Company could not plan for virtual meetings. Accordingly, only three Board Meetings could be held during the year 2020-21.

The details of attendance of the Directors at the Board Meetings and Last AGM held during their respective tenure are as under

Sl. No	Name of Director	Period	Meetings held during their tenure	Meetings Attended during the tenure	Attendance in last AGM Yes/NO
1	Shri. Narayanan G	01.04.2020-31.03.2021	3	3	Yes
2	Shri. Radhakrishnan D	01.04.2020-31.03.2021	3	3	Yes
3	Smt. Sandhya Venugopal Sharma IAS, Joint Secretary (DOS)	01.04.2020-31.03.2021	3	3	Yes
4	Shri. Umamaheswaran R Scientific Secretary (DOS)	22.06.2020*-31.03.2021	2	1	Yes
5	Dr. Venkitakrishnan P V Director CBPO, ISRO	01.04.2020-31.03.2021	3	3	Yes

*date of appointment

Department of Space (DOS) has initiated the process for recruitment of other Directors as required.

Committees of Board

In line with the requirements/ directions of DPE, Companies Act, 2013 and other applicable laws, the Board has constituted the following Committees of Directors. These Committees provide specific and focused governance for the activities falling within their terms of reference and as per the stipulated guidelines.

Sl. No	Name of the Committee
1	Audit Committee
2	Corporate Social Responsibility and Sustainable Development Committee
3	Remuneration Committee

Audit Committee

The Board at its 7th Meeting held on 22nd June 2020 had Constituted the Audit Committee. The composition of the Committee as on 31st March 2021 is as follows:

Smt Sandhya Venugopal Sharma, IAS	– Chairperson
Dr. Venkitakrishnan P V	– Member
Shri Radhakrishnan D	– Member
Company Secretary	– Secretary

Since, Independent Directors are yet to be appointed, the Committee is constituted with nominee Directors and One Whole Time Director. GM / Head of Finance Department is a permanent Invitee.

Upon superannuation of Dr. Venkitakrishnan P V and Chairman and Managing Director, the Audit Committee is reconstituted with the following members on 13.08.2021-

- (a) Smt Sandhya Venugopal Sharma - Chairperson
- (b) Shri Umamaheswaran R - Member
- (c) Shri Arunachalam A - Member

Meetings

During the year 2020-21, the Audit Committee met three times on 08.10.20, 22.12.20 and 29.01.2021.

Details of Attendance of the Directors at the Audit Committee Meetings:

Sl. No	Name of Director	Designation	Period	Meetings held during their tenure	Meetings Attended during the tenure
1	Smt Sandhya Venugopal Sharma, IAS	Chairperson	01.04.2020-31.03.2021	3	3
2	Dr. Venkitakrishnan P V	Member	01.04.2020-31.03.2021	3	3
3	Shri Radhakrishnan D	Member	01.04.2020-31.03.2021	3	3

Terms of Reference

The terms of reference of the Audit Committee are as per the applicable provisions of the Companies Act 2013 and as per the DPE guidelines as amended from time to time.

Remuneration Committee

The Board at its 7th Meeting held on 22nd June 2020 had Constituted the Remuneration Committee. The composition of the Committee as on 31st March 2021 is as follows:

- Smt Sandhya Venugopal Sharma, IAS – Chairperson
- Dr Venkitakrishnan P V – Member
- Shri Umamaheshwaran R – Member
- Company Secretary – Secretary

Since, Independent Directors are yet to be appointed, the Committee is constituted with nominee Directors.

Upon cessation of Dr Venkitakrishnan P V, the committee stands as under-

- Smt Sandhya Venugopal Sharma, IAS – Chairperson
- Shri Umamaheshwaran R – Member
- Company Secretary – Secretary

Terms of reference

The Committee is formed to decide on the annual bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors, within the prescribed limits.



Meetings

Since no MOU was signed with the Administrative ministry for financial performance and related fixing of targets for FY 2020-21, there was no bonus and variable pay matter to be discussed and accordingly no meetings of the Remuneration Committee were held during the year.

Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee

The Board vide circular resolution dated 21st September 2020 had constituted the Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee. The composition of the Committee as on 31st March 2021 is as follows:

Dr. Venkitakrishnan P V	– Chairman
Shri Umamaheswaran R	– Member
Smt Sandhya Venugopal Sharma	– Member
Shri Radhakrishnan D	– Member
Company Secretary	– Secretary of the Committee

Since, Independent Directors are yet to be appointed, the Committee is constituted with nominee Directors.

Upon superannuation of Dr. Venkitakrishnan P V, the CSR & SD Committee is reconstituted with the following members on 13.08.2021-

- (a) Smt Sandhya Venugopal Sharma - Chairperson
- (b) Shri Umamaheswaran R - Member
- (c) Shri Arunachalam A - Member

Terms of reference

The Terms of reference of the Committee are in line with the guidelines issued by the DPE and the relevant provisions of the Companies Act, 2013. The CSR &SD activities of the Company are carried out in line with the Board approved CSR & SD Policy of the Company.

Meetings

During the year 2020-21, the CSR & SD Committee met three times on 08.10.20, 22.12.20 and 29.01.2021.

Details of Attendance of the Directors at the CSR & SD Committee Meetings:

Sl. No	Name of Director	Designation	Period	Meetings held during their tenure	Meetings Attended during the tenure
1	Dr. Venkitakrishnan P V	Chairman	01.04.2020-31.03.2021	3	3
2	Smt Sandhya Venugopal Sharma, IAS	Member	01.04.2020-31.03.2021	3	3
3	Shri Radhakrishnan D	Member	01.04.2020-31.03.2021	3	3
4	Shri Umamaheswaran R	Member	22.06.2020*-31.03.2021	3	1

*date of appointment

Remuneration to the Directors

Details of remuneration of Whole Time Directors during the year 2020-21 are given in the Annual Return, a copy of which is uploaded in the Company's website.

Code of Conduct

The Board of Directors have approved the Code of Conduct for all Board Members and Senior Management of the Company at its 7th Meeting held on 22nd June 2020.

CEO/CFO Certification

As per the requirement of DPE Guidelines, the Chief Executive Officer (CEO) certificate has been obtained for affirmation for compliance with the Code of Conduct from all Board Members and Senior Management and declaration to that effect is annexed to this Report and has also been placed before the Board.

Shareholding Pattern

The Company is not listed on any Stock Exchange in India or abroad. The entire paid up equity share capital of the Company is held by the President of India through its nominees.

General Meetings

The 1st Annual General Meeting of the Company was held on 29th December 2020 at the ISRO Headquarters.

The Second Annual General Meeting of NewSpace India Limited (NSIL) will be held on Friday, 24th December 2021 at 11.00 AM.

Venue: Chairman Board Room, ISRO HQ, New BEL Road, Bangalore-560094

Phone: (080) 22172698, **Fax:** (080) 2351 7222

Email: renu-nsil@isro.gov.in

Website: www.nsilindia.co.in

Disclosures

- a. **Related Party Transactions** are disclosed in Note no. 8 to the Accounts. The Company does not have any materially significant related party transactions, which may have potential conflict with its interest.
- b. **Accounting Standards:** The Company is complying with applicable Accounting Standards (AS).
- c. **Training of Directors:** The current board members are from ISRO / DOS, who are well versed with the space-based products and services and techno-commercial aspects to steer the Company. The Board at its 7th Board Meeting held on 22nd June 2020 has approved the policy on training of Directors.
- d. **Whistle Blower Policy:** The Company is in the process of formulating its own Whistle Blower Policy.
- e. **Right to Information**

The Company has designated Assistant Public Information Officer (APIO), Central Public Information Officer (CPIO) and Appellate Authority.

During 2020-21, two applications were received under the RTI Act, till 31.03.2021 and both the applications were replied to.

- f. **Redressal of Public Grievances**

In order to facilitate resolution of grievances in a transparent and time bound manner, Department of Administrative Reforms & Public Grievances, Government of India has initiated web-based monitoring system at www.pgportal.gov.in.



During the year under review, the Company has not received any letters in this regard.

g. Presidential Directives:

All the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservations for SCs, STs, OBCs, Persons with Disabilities and Ex-Servicemen are being complied by the Company.

h. Items of expenditure debited in Books of Accounts, which are not for the purpose of business:

No items of expenditure, other than those directly related to its business or incidental thereto, those spent towards the welfare of its employees/ ex-employees were debited in the Books of Accounts.

i. Expenses incurred, which are personal in nature and incurred for the Board of Directors and Top Management

Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits as permissible under the Rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management during the year 2020-21.

j. Corporate Social Responsibility & Sustainable Development (CSR & SD)

A report on the CSR & SD activities of the Company forms part of the Director's Report.

k. Means of Communications

The Annual Report of the Company is circulated to the members and others entitled to receive it. It is also hosted in the Company website. The website of the Company also displays all official news releases.

l. Compliance

The Company has complied with the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises, Government of India. The Company is also submitting quarterly Compliance Report to the Department of Space, Government of India within 15 days from the close of each quarter.

Certificate on Compliance of the Policy / DPE guidelines on Corporate Governance issued by the Company Secretary in Practice is enclosed to this report.

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION UNDER CLAUSE 4.5 OF DPE GUIDELINE ON CORPORATE GOVERNANCE.

To,

The Board of Directors

NewSpace India Limited

1. We have reviewed financial statements and the cash flow statement of NewSpace India Limited for the year ended 31st March, 2021 and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors:
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. no significant changes in accounting policies have been made to comply with Accounting Standards
 - iii. that there are no instances of significant fraud of which we have become aware.

Sd/-

(Radhakrishnan D)

Chairman and Managing Director

Date : 13.08.2021

Place: Bengaluru



NewSpace India Limited (NSIL)
A CPSE under DOS

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR

I Confirm that all Board Members and Senior Management have affirmed Compliance with the Company's Code of Conduct for the Financial Year 2020-21.

Date : 13.08.2021
Place: Bengaluru

Sd/-
(Radhakrishnan D)
Chairman and Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification No : U74999KA2019GOI122175

Authorised Capital : INR 100,00,00,000

To,
The Members of
NEWSPACE INDIA LIMITED
Bengaluru

We have examined all the relevant records of NEWSPACE INDIA LIMITED for the year ended 31st March, 2021 for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Department of Public Enterprises (DPE) Guidelines 2010 on Corporate Governance for Central Public Sector Enterprises. We have obtained all the Information and explanations which to the best of our knowledge and belief as were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the Compliance of conditions of Corporate Governance.

On the basis of our examination of the records produced and the explanations and information furnished, we certify that the Company has maintained proper records and complied with the conditions of Corporate Governance as stipulated in DPE Guidelines 2010 on Corporate Governance for Central Public Sector Enterprises for the financial year ending 31st March, 2021 Subject to the following:

- a. Not held 4 Minimum Board Meetings
- b. Not appointed the Independent Directors
- c. Not implemented the whistle Blower Policy

Date: 31.08.2021

Place: Bengaluru

A handwritten signature in black ink, appearing to read 'B. Rajeswara Rao', is written over a circular stamp.

for BRKS & Associates
Company Secretaries
(B Rajeswara Rao)
Partner



ANNUAL REPORT ON CSR & SD ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

1. A brief outline of the Company's Corporate Social Responsibility & Sustainability (CSR & SD) Policy, including overview of Projects and Programmes undertaken during 2020-21.

NSIL believes in inclusive growth and that it can sustain the business risks and progress, if all the stakeholders are taken care of. Accordingly, it addresses the concerns of socio-economic and environmental well-being of the society through its Corporate Social Responsibility & Sustainable Development (CSR & SD) initiatives. The objectives of CSR & SD Projects are: (i) To integrate the core values of the Company with the philosophy of CSR; (ii) To carry out CSR & SD activities in a transparent and ethical manner; (iii) To ingrain the spirit of CSR & SD to the employees at all levels.

Though FY 2020-21 is the first year of implementation of CSR & SD Policy by NSIL, it has undertaken various activities such as Skill development, Education, Sanitation and support to differently abled persons. The programmes and projects are implemented through NGOs, CPSU and Government organisations.

The programmes undertaken are within the framework of Schedule VII of the Companies Act 2013 and also complying with the guidelines of DPE. The details of the activities undertaken by NSIL are given in Annexure-1.

The web-link to the CSR policy of the Company; www.nsilindia.co.in/csr

2. Composition of the CSR Committee:

The Company has a Board Level Corporate Social Responsibility & Sustainable Development Committee of the Board to recommend and oversee the implementation of CSR & SD activities. The members of the Committee as on 31st March 2021 were:

- (a) Dr. Venkitakrishnan PV - Chairman
- (b) Smt Sandhya Venugopal Sharma - Member
- (c) Shri Umamaheswaran R - Member
- (d) Shri Radhakrishnan Durairaj - Member

Upon superannuation of Dr. Venkitakrishnan P V, the CSR & SD Committee is reconstituted with the following members on 13.08.2021-

- (a) Smt Sandhya Venugopal Sharma - Chairperson
- (b) Shri Umamaheswaran R - Member
- (c) Shri Arunachalam A - Member

Accordingly, this report is signed by the new Chairperson, CSR & SD Committee, Smt Sandhya Venugopal Sharma along with the Chairman and Managing Director.

3. Average net profit of the company:

As Company has begun its commercial activities only from FY 2019-20, the net profit of that year is considered for arriving the mandated CSR&SD fund allocation for FY 2020-21.

INR in Lakhs

Year	Net Profit/ (Loss)
2019-20	6,857.01

4. Details of CSR&SD spend during the financial year:

(a) The details of CSR&SD spend for the financial year 2020-21 is as below:

Sl. No.	Particulars	Amount (INR in Lakhs)
1	Amount brought forward to be spent by the Company at the beginning of the year	NIL
2	Amount to be spent for the financial year 2020-21	138.00
3	Total amount to be spent for CSR	138.00
4	Total Amount Committed	104.67
5	Total Amount spent	38.10
6	Unspent committed amount kept in separate Bank account as per Section 135(6) of Companies Act 2013	66.57
7	Amount to be deposited in fund listed in Schedule-VII of Companies Act as per 2nd proviso to Section 135(5) of Companies Act 2013	33.33

(b) The amount spent/committed during the financial year is detailed in Appendix-1.

(c) NSIL is keeping the fund allocated to ongoing projects in a separate bank account to meet the commitment, as per DPE guidelines.

(d) As this is the first year of CSR&SD activity of NSIL, there is an uncommitted CSR fund to the extent of INR 33.33 Lakhs. It will be deposited in the Fund(s) listed in Schedule-VII of the Companies Act, 2013 with in the due dates prescribed.

(e) The implementation and monitoring of CSR Policy, is in compliance with CSR & SD objectives and Policy of the Company.

Sd/-

Radhakrishnan D
Chairman and Managing Director

Sd/-

Sandhya Venugopal Sharma
Chairperson, CSR&SD Committee

Date: 02.09.2021

Place: Bengaluru



Appendix-1

NEWSPACE INDIA LTD								
PROJECTS AND HEADS FOR CSR OUTLAY AMOUNT SPENT IN FINANCIAL YEAR 2020-21 (INR in Lakhs)								
Sl. No.	CSR Project or Activity	Sector or Project	Location of the Project/ Program	Outlay Amount (Budget)	CSR Expenditure for the Year			Mode of Execution: Direct or Agency
					Amount spent	Commitment Pending	Total	
1	Armed Force Flag Day Fund	Social Welfare	Pan India	5,00,000	5,00,000	-	5,00,000	Agency: Ministry of Defence, GOI
2	The Culture Fund	National Heritage	Pan India	5,00,000	5,00,000	-	5,00,000	Agency: The Archaeological Survey of India, GOI
3	The Capacity Building Programme	Skill Development	Bengaluru, Karnataka	10,00,000	5,51,306	4,48,694	10,00,000	Agency: National Skill Training Institute (NSTI), GOI
4	Supply of wooden desks, benches, tables to Manonmaniam Sundaranar University College, Panagudi	Education	Tirunelveli District, Tamil Nadu	7,00,000	3,50,000	3,50,000	7,00,000	Agency: IPRC/ISRO
5	Supply of 50 Sets of wooden desks & benches to Rani Anna Government College for Women	Education	Tirunelveli District, Tamil Nadu	6,00,000	3,00,000	3,00,000	6,00,000	Agency: IPRC/ISRO
6	Construction of Community Toilet at Challakere Government Hospital	Health Care	Chitradurga District, Karnataka	36,66,641	7,33,328	29,33,313	36,66,641	Agency: Sulab International Social Service Organisation, NGO
7	Distribution of aids and appliances to the needy persons with disabilities in Thiruvallur District of Tamil Nadu	Social Welfare	Thiruvallur District, Tamil Nadu	35,00,000	8,75,000	2625000	3500000	Agency: ALIMCO, CPSE
Total				1,04,66,641	38,09,634	66,57,007	1,04,66,641	



Bhoomi Pooja for the Construction of Hi-tech Toilet Complex at Challakere Government Hospital, Chitradurga District funded under CSR & SD activities by NewSpace India Limited (NSIL) on 07.07.2021.

In the Presence of:

Hon'ble MLA Shri Raghuramurthy T (Hon'ble MLA, Challakere Constituency), Shri Narayanan G (Chairman & Managing Director (CMD), NewSpace India Limited (NSIL), Bengaluru, Dr. Venkatesh (Chief Medical Officer), Challakere Govt. Hospital, Shri Viswanatha M (Hony. Controller) Sulabh International Social Service Organisation, Bengaluru, Shri Alagesan G (Chief Manager – Finance) NewSpace India Limited (NSIL), Bengaluru and Smt. Jayalaxmi Krishnamurthy (Chairman, CMC, Challakere), along with Sulabh and Hospital officials.



NewSpace India Limited (NSIL)
A CPSE under DOS

Chartered Accountants

24, 4th Main Road,
Malleswaram,
Bengaluru - 560 003.
INDIA

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Mob. : +91 98440 56359

E-mail: shanbhogue_k_r@yahoo.com

PAL & SHANBHOGUE



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWSPACE INDIA LIMITED, BENGALURU

Report on the Financial Statements

We have audited the accompanying financial statements of NEWSPACE INDIA LIMITED which comprise the balance sheet as at March 31 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view in conformity with the Accounting Principles Generally Accepted in India, of the state of affairs of the Company, as at March 31 2021, of its profit for the period from 01st April 2020 to 31st March 2021 and the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be reported here.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The Company is a Government Company and hence provisions relating to Disqualification of Directors u/s 164(2) of the Act and matters concerning managerial remuneration u/s 197 of the Act does not apply vide Notification No. G.S.R 463 (E) dated 5th June 2015.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has no pending litigation as on date;
 - The Company has no long-term contracts for which there were any material foreseeable losses. Further, the Company has not entered into any derivative contracts.
 - The Company has no amounts that is required to be transferred to the Investor Education and Protection Fund by the Company.
- (h) As required by Section 143(5) of the Act, we give in Annexure-C, a statement on matters specified by the Comptroller and Auditor General of India.

For Pal and Shanbhogue

Chartered Accountants

Firm Registration No.: 002528S

Sd/-

K.R.Shanbhogue

Partner

Membership No.: 018578

UDIN: 21018578AAAABF9965



Date: 13th August, 2021

Place of signature: Bengaluru

ANNEXURE A

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment (PPE);

(b) The PPE of the Company have been physically verified by the management at reasonable intervals. As informed to us, no material discrepancies have been noticed on such verification.

(c) The Company does not have any immovable property.
- (ii) The company does not have any inventories, hence the clause 3 (ii) of the order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the clauses 3 (iii)(a), 3(iii) (b) and 3(iii)(c) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or made any investment or given any guarantee and security as applicable vide provisions of Section 185 and 186 of the Companies Act, 2013 and hence clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits and hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed there under are not applicable. Therefore provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) Central Government has not prescribed the maintenance of cost records under Sec. 148(1) of Companies Act, 2013 for any of the business activities of the Company. Therefore, provisions of clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the books of account and records, the Company is regular in depositing the undisputed statutory dues, including provident fund, state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities wherever applicable. No delay has been observed in the remittance of statutory dues which are outstanding for more than 6 months as at the Balance Sheet date from the date they became payable.

(b) According to the information and explanation given to us, there were no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
- (viii) In our opinion and according to the information and explanation given to us, the Company has neither borrowed any money from financial institution, bank, Government nor it has issued any debentures. Hence, Clause 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Therefore, the provisions of clause (3) (ix) of the Order is not applicable to the Company.



- (x) During the course of our audit, and according to the information and explanation given to us, we have neither noticed any instance of fraud on or by the Company, nor have been informed of such cases by the Management. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
- (xi) As per notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 regarding managerial remuneration is not applicable to the Government Companies. Accordingly, provisions of paragraph 3(xi) of the Order are not applicable to the Company.
- (xii) In our Opinion, the Company is not a Nidhi Company and hence clause 3(xii) of the order is not applicable.
- (xiii) In our opinion that transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under audit and as such, clause 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them, as covered under Section 192 of the Companies Act, 2013.
- (xvi) In our opinion, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, requiring registration under the said Act are not applicable to the Company.

For Pal and Shanbhogue

Chartered Accountants

Firm Registration No.: 002528S

Sd/-

K.R.Shanbhogue

Partner

Membership No.: 018578

UDIN: 21018578AAAABF9965



Date: 13th August, 2021

Place of signature: Bengaluru

ANNEXURE B

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of NEWSPACE INDIA LIMITED, Bengaluru as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are



being made only in accordance with authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our Audit, the Company has maintained, in all material aspects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Pal and Shanbhogue

Chartered Accountants

Firm Registration No.: 002528S

Sd/-

K.R.Shanbhogue

Partner

Membership No.: 018578

UDIN: 21018578AAAABF9965



Date: 13th August, 2021

Place of signature: Bengaluru

ANNEXURE-C TO INDEPENDENT AUDITOR'S REPORT

Referred to in "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of "NEWSPACE INDIA LIMITED (the Company) for the period ended 31st March 2021.

DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT, 2013

Sl. No.	Directions	Auditor's Comment
1	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has been using Tally software to record all its financial and accounting transactions. The following entries flow to Tally from outside: 1. Transactions of foreign receivables and payables; 2. Computation of Employee Benefit Expenses; and 3. Preparation of Annual Financials In our opinion and to the best our information and explanations given to us, the company has a system in place to monitor and control properly these transactions.
2	Whether there is any restructuring of an existing loan or cases or waiver/ write off of debts/ loans/ interest etc., made by a lender to the company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company.	The Company does not have any loans and hence this clause is not applicable.
3	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	The Company has neither received nor has any receivables towards any funds for specific schemes from Central/ State agencies.

For Pal and Shanbhogue

Chartered Accountants

Firm Registration No.: 002528S

Sd/-

K.R.Shanbhogue

Partner

Membership No.: 018578

UDIN: 21018578AAAABF9965



Date: 13th August, 2021

Place of signature: Bengaluru



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NEWSPACE INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of NewSpace India Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13.08.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NewSpace India Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability

Statement of profit and loss

Revenue from Operations (Note 4.1): ₹ 43,266.54 lakh

The Company is Contract Manager for all the Agreements/ Memorandum of Understandings (MoUs) entered into between Department of Space (DOS) and its various customers for leasing of INSAT/GSAT transponder capacities effective from 1 April 2020. The revenue from customers was to be shared between DOS and NSIL. Bharat Sanchar Nigam Limited (BSNL) was a longstanding customer since 2006. Agreement with BSNL was expired on 31 March 2020. New agreement between DOS and BSNL to be effective from 1 April 2020 could not be signed due to difference on submission of bank guarantee, however services to BSNL remain continued during 2020-21. In the absence of any agreement between DOS and

BSNL, Company did not raise any invoices for the services utilized by BSNL during the year 2020-21.

As per Ind AS-115 on 'Revenue from Contracts with Customers', contract is a document where parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices and are committed to perform their respective obligations.' Thus considering provisions of Ind AS-115 and other related facts including no dispute on services given/rates to be charged, it has been viewed that contractual relationship continued to exist with BSNL. Therefore accounting for services given to BSNL should have been made in the Company's books, being the Contract Manager.

Non accounting of revenue from services given to BSNL has resulted in understatement of 'Revenue from Operations' by ₹ 25.44 crore (net off share payable to DOS) with corresponding understatement of 'Profit for the year' by the same amount. Consequently 'Trade Receivables' are also understated by ₹ 267.07 crore being the amount recoverable from BSNL. 'Trade Payables' to DOS and 'Other Current Liabilities-GST' are understated by ₹ 228.91 crore and ₹ 12.72 crore respectively.

Place: New Delhi

Date : 22.11.2021

For and on behalf of the
Comptroller & Auditor General of India

A handwritten signature in blue ink, appearing to be 'V. K. Singh', is written over the printed name of the Director General of Audit.

Director General of Audit
Environment and Scientific Departments



Management reply to the comment issued by C&AG

Audit Comment	Management Reply
<p>A. Comments on Profitability: Statement of profit and loss Revenue from Operations (Note 4.1): INR 43,266.54 lakh</p> <p>The Company is Contract Manager for all the Agreements/ Memorandum of Undertakings (MoUs) entered into between Department of Space (DOS) and its various customers for leasing of INSAT/GSAT transponder capacities effective from 1 April 2020. The revenue from customers was to be shared between DOS and NSIL. Bharat Sanchar Nigam Limited (BSNL) was a longstanding customer since 2006. Agreement with BSNL was expired on 31st March 2020. New agreement between DOS and BSNL to be effective from 1 April 2020 could not be signed due to difference on submission of bank guarantee, however services to BSNL remain continued during 2020-21. In the absence of any agreement between DOS and BSNL, Company did not raise any invoices for the services utilized by BSNL during the year 2020-21.</p> <p>As per Ind AS-115 on 'Revenue from Contracts with Customers', contract is a document where parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices and are committed to perform their respective obligations'. Thus, considering provisions of Ind AS-115 and other related facts including no dispute on services given/ rates to be charged, it has been viewed that contractual relationship continued to exist with BSNL. Therefore, accounting for services given to BSNL should have been made in the Company's books, being the Contract Manager.</p> <p>Non accounting of revenue from services given to BSNL has resulted in understatement of 'Revenue from Operations' by INR 25.44 crore (net off share payable to DOS) with corresponding understatement of 'Profit for the year' by the same amount. Consequently, 'Trade Receivables' are also understated by INR 267.07 crore being the amount recoverable from BSNL. 'Trade Payables' to DOS and 'Other Current Liabilities - GST' are understated by INR 228.91 crore and INR 12.72 crore respectively.'</p>	<p>NSIL entered into MoU with Department of Space (DOS) vide MOU No. DOS/NSIL/MOU/2019 dated 13th June 2019 for Management of Commercial relationship with respect to SATCOM. Accordingly, NSIL is 'Contract Manager' for the agreements entered by DOS for transponder leasing from FY 2020-21 onwards only.</p> <p>Due to non-acceptance of condition of submission of Bank Guarantees as a security for payments due under its agreements by BSNL, DOS has not signed the agreement with BSNL. Hence, BSNL is not a customer of NSIL till date.</p> <p>As per Article 3 of the above MoU, the rights and obligations of NSIL as a Contract Manager of DOS arises from an agreement entered between DOS and BSNL. However, as the services were getting rendered, NSIL has made its best efforts to enable signing the agreements between DOS/ SATCOM-PO and BSNL, during the financial year itself.</p> <p>NSIL followed up with DOS/ SATCOM-PO periodically about non-signing of agreement with BSNL and consequent impact on revenue of DOS and GST. Further, with the concurrence of its Board, the Company had already informed to Department to (a) either deal with BSNL directly or (b) absolve NSIL from any liabilities on account of this, including reimbursement of any additional expenditure/ penalties that may become payable for the period.</p> <p>Hence, in the absence of a valid agreement between DOS and BSNL, there is no privity of contract between BSNL and NSIL. As such, NSIL have no right to raise an Invoice on BSNL unless a valid agreement subsists between DOS and BSNL. As per Para 10 of Accounting Standard (AS) 9, "If at the time of raising any claim, it is unreasonable to expect ultimate collection, revenue recognition should be postponed".</p> <p>Once agreement between DOS and BSNL is executed, the Company will manage the same as per existing MoU signed with DOS.</p> <p>In view of the above facts, there is no understatement of 'Revenue from Operations; Profit for the Year; Trade Receivables; Trade Payables to DOS and Other Current Liabilities-GST' in the books of Accounts of NSIL.</p>

Balance Sheet as at 31st March, 2021

(Amount: INR in lakhs)

Particulars		Note No.	Figures as at the end of current reporting period 31.03.2021	Figures for the previous reporting period ended 31.03.2020
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3.1	1,000.00	1,000.00
	(b) Reserves and surplus	3.2	15,773.62	5,129.45
			16,773.62	6,129.45
2	Non-current liabilities			
	(a) Deferred Tax liabilities [Net]	6	1.28	1.08
	(b) Long Term Provisions	3.3	0.82	0.00
			2.10	1.08
3	Current liabilities			
	(a) Trade payables	3.4		
	(A) Total outstanding dues of micro enterprises and small enterprises; and		0.07	2.25
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		75,030.75	11,234.87
	(b) Other current liabilities	3.5	4,049.98	4,346.19
	(c) Short term provisions	3.6	58.29	96.24
			79,139.09	15,679.55
	TOTAL		95,914.81	21,810.08
B	ASSETS			
1	Non-current assets			
	(a) Fixed Assets			
	(i) Property, Plant and Equipment	3.7	50.27	52.14
	(ii) Intangible assets	3.8	0.33	6.18
	(iii) Intangible assets under development	3.9	7.55	7.55
	(b) Other non-current assets	3.10	15,541.41	6,213.97
			15,599.56	6,279.84
2	Current assets			
	(a) Trade receivables	3.11	22,226.90	4,481.47
	(b) Cash and bank balances	3.12	51,358.61	6,336.76
	(c) Other current assets	3.13	6,729.74	4,712.01
			80,315.25	15,530.24
	TOTAL		95,914.81	21,810.08
	Significant accounting policies The accompanying notes are an integral part of the financial statements As per of our report of even date attached	2.2		

For **M/s Pal and Shanbhogue**
Chartered Accountants
Firm Regn No: 002528S

For and on behalf of the Board of Directors

Sd/-
K.R.Shanbhogue
Partner
ICAI Membership No. 18578

Sd/-
Annamalai Arunachalam
Director, Technical & Strategy
DIN: 0009262267

Sd/-
Radhakrishnan Durairaj
Chairman and Managing Director
DIN: 08382973

Date: 13th August 2021
Place: Bengaluru

Sd/-
K Renu
Company Secretary



Statement of Profit and Loss for the year ended 31-03-2021

(Amount: INR in lakhs)

Particulars		Note No.	Figures for the current reporting year ended 31-03-2021	Figures for the previous reporting period ended 31-03-2020
I	Revenue from operations	4.1	43,266.54	31,451.62
II	Other incomes	4.2	1,167.71	725.47
III	TOTAL REVENUE (I+II)		44,434.25	32,177.09
IV	Expenses			
	(a) Cost of revenue from operations	4.3	27,468.45	25,013.29
	(b) Employee benefit expenses	4.4	239.67	167.50
	(c) Depreciation & amortisation expenses	4.5	22.59	10.15
	(d) Other expenses	4.6	370.89	129.14
	TOTAL EXPENSES		28,101.60	25,320.08
V	Profit before exceptional and extraordinary items and tax (III-IV)		16,332.65	6,857.01
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		16,332.65	6,857.01
VIII	Extraordinary items		-	-
IX	Profit before tax (VII - VIII)		16,332.65	6,857.01
X	Tax Expense:			
	(1) Current tax		4,148.28	1,726.48
	(2) Deferred tax	6	0.20	1.08
XI	Profit/(loss) for the period from continuing operations (IX - X)		12,184.17	5,129.45
XII	Profit/(loss) for the period from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from discontinuing Operations (after tax) (XII - XIII)		-	-
XV	Profit/(loss) for the period (XI + XIV)		12,184.17	5,129.45
XVI	Earnings Per Share			
	(1) Basic (in INR)	5	121.84	51.29
	(2) Diluted (in INR)	5	121.84	51.29
	Significant accounting policies The accompanying notes are an integral part of the financial statements As per of our report of even date attached	2.2		

For **M/s Pal and Shanbhogue**

Chartered Accountants
Firm Regn No: 002528S

Sd/-

K.R.Shanbhogue
Partner
ICAI Membership No. 18578

For and on behalf of the Board of Directors

Sd/-

Annamalai Arunachalam
Director, Technical & Strategy
DIN: 0009262267

Sd/-

Radhakrishnan Durairaj
Chairman and Managing Director
DIN: 08382973

Date: 13th August 2021
Place: Bengaluru

Sd/-
K Renu
Company Secretary

Cash flow statement for the year ended 31 March, 2021

(Amount: INR in lakhs)

Particulars	For the year ended 31st March 2021	For the period ended 31st March 2020
A. Cash flow from operating activities		
Net Profit /(Loss) before tax	16,332.65	6,857.01
Add: Depreciation and amortization	22.59	10.15
Add: Loss on Sale of fixed assets	0.43	-
Less: Interest received	(1,240.36)	(468.08)
Operating profit before working capital changes	15,115.31	6,399.08
Changes in working capital		
(Increase)/Decrease in other Non-current assets	(9,327.44)	(6,213.97)
(Increase)/Decrease in other current assets	(2,017.74)	(4,712.01)
(Increase)/Decrease in trade receivables	(17,745.44)	(4,481.47)
Increase/(Decrease) in Long term provisions	0.83	-
Increase/(Decrease) in trade payables	63,793.70	11,237.12
Increase/(Decrease) in other current liabilities	(296.22)	4,346.19
Increase/(Decrease) in short-term provisions	(37.95)	96.25
Net change in working capital	34,369.74	272.11
Cash generated from operations	49,485.05	6,671.19
Less: Direct taxes paid	(4,148.28)	(1,726.48)
Net Cash from operating activities	[A] 45,336.77	4,944.71
B. Cash flow from investing activities		
Acquisition of fixed assets	(15.34)	(76.02)
Interest received on deposits	1,240.36	468.08
Sale of fixed assets	0.04	-
Net cash from investing activities	[B] 1,225.06	392.06
C. Cash flow from financing activities		
Issue of Shares	-	1,000.00
Dividend Paid	(1,540.00)	-
Net cash from financing activities	[C] (1,540.00)	1,000.00
Net Increase in cash and cash equivalents during the year [A+ B+ C] =	[D] 45,021.83	6,336.77
Cash and cash equivalents at the beginning of the year	[E] 6,336.77	-
Cash and cash equivalents at the end of the year (D+E) [Refer Note 3.12]	51,358.60	6,336.77
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the AS-3 "Cash Flow Statements" issued by the Companies (Accounting Standards) Rules, 2006.		
The accompanying notes are an integral part of the financial statements As per of our report of even date attached		

For **M/s Pal and Shanbhogue**
Chartered Accountants
Firm Regn No: 002528S

For and on behalf of the Board of Directors

Sd/-
K.R.Shanbhogue
Partner
ICAI Membership No. 18578

Sd/-
Annamalai Arunachalam
Director, Technical & Strategy
DIN: 0009262267

Sd/-
Radhakrishnan Durairaj
Chairman and Managing Director
DIN: 08382973

Date: 13th August 2021
Place: Bengaluru

Sd/-
K Renu
Company Secretary



Notes forming Part of the Financial Statements

Note 1

Corporate information:

NEWSPACE INDIA LIMITED (hereinafter referred as “Company”) is a Company incorporated on 6th March, 2019 under the Companies Act, 2013, with the objective to carry on in India or in any part of the world all kinds of business relating to the manufacture, assembly, fitting up, repairing, converting, overhauling, maintaining, consultancy, agency, rendering services of all and every kind and description, buying, selling, importing, exporting, indenting, exchanging, altering, hiring, letting on hire, improving, repairing and dealing in all kinds and description of aero-space, aeronautical, electronic, electrical, mechanical, chemical, optics and/or environmental appliances, systems, devices, products, instruments, equipments, whether industrial, domestic, scientific, commercial or of any other nature.

Note 2

2.1 Basis of Preparation

A Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

B Use of estimates and judgments

The preparation of the financial statements in conformity with the recognition and the measurement principle requires the Management of the Company to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash & cash equivalents.

2.2 Significant Accounting Policies:

A Revenue Recognition

The Company uses the percentage of completion method using the milestones/stage of completion of activity as agreed in the contract to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements

of the contract can be made. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion.

i) Sales:

Revenue, net of all indirect taxes is recognized at the time of deliverables being delivered to the customers or to their assigned/contracted project. However, if delivery is delayed at the customer's request and the customer takes title and accept bills, revenue is recognized notwithstanding that physical delivery has not been completed so long as there is every expectation that delivery will be made and the deliverables are on hand, identified and ready for delivery and if the delivery is subject to conditions like installation/inspection, then the revenue is not recognized until the customer accepts delivery and the installation/inspection are completed.

ii) Services

a) Launch, Installation, Commissioning and testing:

Revenue, net of all indirect taxes is recognized by reference to the milestones/stage of completion of activity as agreed in the contract.

b) Access Fees, Space Segment, Mission Support, etc

Revenue, net of all indirect taxes, is recognized at once on rendering or periodically depending upon nature of the service contracted either one time service or recurring service.

c) Consultancy

Revenue is recognized at once on rendering or periodically depending upon nature of the consultancy contracted.

iii) Composite Contracts

Revenue is recognized for each item of Composite contract as per policy mentioned against items (i) and (ii) above.

iv) Other income

a) Interest

Interest income is recognized on accrual basis. However, interest income from Trade Receivables is recognized on receipt basis.

b) Royalty

Royalty is accounted on accrual basis based on acceptances received from customers.

c) Dividends on investments

Dividend on investment is recognised when the Company's right to receive payments is established.

B Foreign Currency Transactions

Foreign currency transactions are recorded in the functional currency, by applying the exchange rates at the date of the transaction. The functional currency of the Company is Indian Rupee.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are



recognized in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are not retranslated.

C Property, Plant & Equipment

- Recognition & Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

-Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

D Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically at each financial year end.

The cost of software internally generated/ acquired for internal use which is not an integral part of the related hardware, is recognised as an intangible asset and is amortised over five years, on straight line method. Amortisation commences when the asset is available for use. Wherever it is not possible to assess the useful life of intangible assets (whether or not significant), the cost is written-off in the year of procurement. Impairment on the intangible assets are reviewed annually and where there is an indication of impairment, the asset is impaired.

E Depreciation & Amortisation

Depreciation on Property, Plant & Equipment has been provided on the Straight Line method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the Assets, whichever is higher.

Assets worth less than INR 0.05 Lakhs individually have been depreciated fully in the year of purchase.

The company considers 1% of the cost of the asset as its residual value for the purpose of calculating depreciation as the management feels it is appropriate to depreciate to the maximum extent. The residual value incase of Intangible Assets is considered to be Nil.

The estimated useful lives of assets are as follows :

Particulars	Useful life
Buildings [Electrical Systems]	10 Years
Buildings [Interiors]	3 Years
Buildings [Temporary Structures]	3 Years
Furniture and Fixtures	10 Years
Computers and Peripherals	3 Years
Office Equipment	5 Years
Communication Systems	3 Years

F Inventories

Raw materials, work-in-progress and finished goods are valued at lower of cost and estimated realisable value. Cost of materials is determined on first-in first-out basis formula and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. In the case of work-in-progress and finished goods, cost includes the cost of conversion.

G Investments

“On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage and fees. Investments maturing within three months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under ‘current assets’ as “current portion of long term investments”. Long-term investments (including current portion thereof) are carried at cost less any other-than temporary diminution in value, determined separately for each individual investment based on management’s assessment of recovery and realisation. Current investments are carried at the lower of cost and fair value. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.”

H Trade Receivables

“Receivables represent the Company’s unconditional right to consideration under the contract. The right to consideration is considered unconditional, if only passage of time is required before payment of that consideration is due. Debts from the Government departments are generally treated as fully recoverable, and hence the Company does not recognise credit risk of such financial assets. Impairment on account of expected credit loss is being assessed on a case to case basis in respect of dues outstanding for a significant period of time.”

I Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis.



J Provisions & Contingencies

“A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.”

K Trade and other payables

Liabilities are recognised for the amounts to be paid in future for the goods / services received.

L Claims by the company

Claims on suppliers / carries towards loss/ damages, claims for export subsidy, duty drawbacks, and claims on customs department for refunds are accounted when claims are preferred and are carried forward till such time the Company has a legal right to recover such amounts.

M Taxes on Income

Taxes on Income comprises current and deferred income tax.

“**Current Tax:** Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.”

Deferred Tax :

Deferred Tax is recognised in respect of temporary differences between the carrying amounts of assets & liabilities for the purposes of financial reporting and the corresponding amounts used for taxation purposes.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable Profit or Loss at the time of the transaction; taxable temporary differences arising on the initial recognition of goodwill.

“Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.”

“The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.”

N Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, bank deposits and short term investments with an original maturity of three months or less that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

O Impairment of Assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, as if no impairment loss had been recognised.

P Contract Modification

A contract modification exists when the change in scope is agreed but the the corresponding change in price is not determined. In such circumstances, revenue is recognized, based on the Company's assessment of the estimated change in the transaction price arising from the modification.



3] NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH,2021

3.1 Equity Share capital

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Authorised capital 10,00,00,000 equity shares INR 10 each	10,000	10,000
Issued, subscribed and fully paid up capital 1,00,00,000 equity shares INR 10 each	1,000	1,000

3.1 (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Figures as at 31.03.2021	
	No. of shares	Amount (INR in Lakhs)
Equity Shares of INR10/- each		
Number of shares outstanding at the beginning of the period	1,00,00,000	1,000
Less: Number of Shares bought back during the period	-	-
Add: Number of shares issued during the period	-	-
Number of shares outstanding at the end of the period	1,00,00,000	1,000

3.1 (b) List of persons holding more than Five percent shares in the Company

Particulars	Figures as at 31.03.2021	
	No. of shares	% of holding
Equity Shares		
Government of India through President of India and its nominee	1,00,00,000	100
	1,00,00,000	100

3.1 (c) The Company has only one class of equity shares with voting rights having par value of INR 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 2013 and the Articles of Association of the Company.

3.1 (d) Subject to Articles of Association of the Company, all the rights (including voting right of one vote per Equity Share held), all preferences and restrictions (including restriction on transfer of Equity Shares) are vested with the Board of Directors. Dividend proposed by Board is subject to declaration at Annual General Meeting. No dividend is proposed for the FY 2020-21 as the Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDS) meeting held on 12.03.2021 under the Chairmanship of Secretary, Department of Investment and Public Management (DIPAM) vide F. No.4(30)(1)/2018-DIPAM-I(Pt) dated 18.03.2021, exempted the Company from payment of annual dividend for the FY 2020-21.

3.1 (e) There are no shares reserved for issue under options.

3.1 (f) There are no securities convertible into equity shares as on the Balance sheet date.

3.1 (g) (a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in Cash: NIL

(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares: NIL

(c) Aggregate number and class of shares bought back: NIL

3.2 Reserves and surplus

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Surplus / (Deficit) in Statement of Profit and Loss		
Balance at the beginning of the reporting period	5,129.45	-
Add: Transfer of Profit for the period	12,184.17	5,129.45
Less: Dividend paid	(1,540.00)	
Balance at the end of the reporting period	15,773.62	5,129.45

3.3 Long Term Provisions

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Provision for Leave Encashment	0.82	
	0.82	-

3.4 Trade payables

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
(i) Dues to Micro, Small or Medium Enterprises (MSME)	0.07	2.25
(ii) Dues to creditors other than MSME	75,030.75	11,234.87
	75,030.82	11,237.12

Additional details:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars

(1) Principal Amount due and remaining unpaid (Paid within the due date)	0.07	2.25
(2) Interest due on (1) above and the unpaid interest		
(3) Interest paid on all delayed payments under MSMED Act		
(4) Payment made beyond the appointed day during the year		
(5) Interest due and payable for the period of delay other than (3) above		
(6) Interest accrued and remaining unpaid		
(7) The amount of further interest remaining due and payable even in the succeeding years, until such date which the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006		



3.5 Other current liabilities

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Advances from Customers		
-Towards Export Sales	-	19.38
-Towards Space Segment Charges	139.30	150.87
-Towards Domestic Sales	-	13.62
Corporate Credit Card	-	0.52
Dues in relation to Salary	0.13	72.32
Caution Deposit	1,253.06	-
ICRD [INSAT Capacity Reservation Deposit]	399.83	8.25
Statutory Liabilities	418.90	4,078.18
Other liabilities	1,838.76	3.05
	4,049.98	4,346.19

3.6 Short term provisions

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Others		
Provision for Income Tax	-	96.24
Provision for Leave Encashment-ST	0.12	-
Provision for Cost	58.17	-
	58.29	96.24

3.7 Property, Plant and Equipment

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Building	8.10	10.31
Furniture and Fixures	21.14	16.83
Computers and Peripherals	13.36	15.64
Office Equipments	6.89	7.54
Communication Systems	0.78	1.82
	50.27	52.14

A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related depreciation and impairment losses or reversals are disclosed separately.

3.8 Intangible assets

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Computer Software	0.33	6.18
	0.33	6.18

A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related depreciation and impairment losses or reversals are disclosed separately.

3.9 Intangible assets under development

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Software (for Online Customer Portal)	7.55	7.55
	7.55	7.55

3.10 Other non-current assets

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Deposits held as margin money against guarantees issued	15,447.75	6,192.97
Deposits held as guarantee towards corporate cards	-	21.00
Deposits with Other Agencies	0.02	-
Prepaid BG Charges	71.20	-
Prepaid Expenses 2022-2041	22.45	-
	15,541.42	6,213.97

3.11 Trade receivables

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
a. Trade receivables outstanding for a period not exceeding six months		
- Secured, considered good	314.63	451.54
- Unsecured, considered good	21,248.63	3,821.45
b. Trade receivables outstanding for a period exceeding six months		
- Unsecured, considered good	663.64	208.48
	22,226.90	4,481.47



3.12 Cash and bank balances

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
a) Cash and cash equivalents		
i) Balances with banks In Current accounts	4,561.80	614.19
ii) Imprest Cash with Employee	0.08	0.14
b) Other bank balances		
In Deposits with maturity more than 3 but less than or equal to 12 months	46,796.73	5,722.43
	51,358.61	6,336.76

3.13 Other current assets

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
Accrued interest on deposits with banks	1,197.89	312.51
Balances with Government authorities		
- Indirect tax assets	2,411.15	4,219.16
Prepaid expenses	10.24	29.17
Prepaid BG Charges	110.44	151.18
Income Tax Refund FY 2019-20	3.76	-
Accrued Income	2,137.66	-
Income Tax Refund FY 2020-21	854.97	
TDS Receivable U/s 90/90A	3.62	
	6,729.73	4,712.02

4] NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2021

4.1 Revenue From Operations

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
A. Sale of Services		
(i) Exports		
Launch Services	26,482.66	28,061.91
Mission Support Services	130.07	38.41
Optional Launch Services	188.92	58.12
	26,801.65	28,158.44
(ii) Domestic		
Forward Contracts	71,041.62	7.77
Less: Share of Revenue towards DOS	(63,937.46)	(6.99)
	7,104.16	0.78
Back to Back SSC	9,068.44	3,024.40
Launch Services -Domestic	130.00	130.00
Remote Sensing Services	0.00	138.00
Optional Launch Services-Domestic	0.16	0.00
Technology Transfer-Domestic	80.46	0.00
Mission Support Services - Domestic	20.84	0.00
	16,404.06	3,293.18
B. Sale of Products		
(i) Exports		
Sale of Products	21.14	0.00
	21.14	0.00
(ii) Domestic		
IBL Separation System-Domestic	27.24	0.00
SCL-Elec Chips and Kits-Domestic	12.45	0.00
	39.69	0.00
Total Revenue from operations	43,266.54	31,451.62

No Excise duty is incurred by the Company as its products and services does not attract Excise duty.



4.2 Other income

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
Interest income on deposits with banks	1,240.35	468.07
Application fee Receipts	-	1.51
Net Gain on foreign currency translations	(72.65)	255.89
Newspaper Scrap Sale	0.01	-
Total Other Income	1,167.71	725.47

4.3 Cost of Revenue from Operations

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
A) Cost of Services		
i) Exports		
Launch services	18,042.46	22,502.97
Mission support services	60.90	30.09
Optional Launch Services	9.19	9.49
Total	18,112.55	22,542.55
ii) Domestic		
Launch services	124.86	104.00
Back to Back SSC	9,095.15	2,256.78
Mission support services	17.93	-
Cost of Technology Transfer	69.86	-
Remote Sensing Services	-	109.96
Total	9,307.80	2,470.74
B) Cost of Products		
i) Exports		
Cost of Products	15.50	-
	15.50	-
ii) Domestic		
Cost of IBL Separation System	21.79	-
Cost of SCL	10.81	-
	32.60	-
Total Cost of Revenue from Operations	27,468.45	25,013.29

4.4 Employee Benefit Expenses

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
Employee Benefit Expenses - ISRO	222.43	167.50
Employee Benefit Expenses - NSIL	17.24	-
	239.67	167.50

4.5 Depreciation and amortization expenses

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
Depreciation on Property, plant and equipment	16.40	9.85
Amortization on Intangible assets	6.19	0.30
	22.59	10.15

4.6 Other expenses

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
Advertisement and publicity	3.29	25.97
Bank guarantee and LC charges	82.58	29.28
Communication charges	2.02	0.83
Consultancy, legal and professional charges	32.93	15.50
CSR Expenditure	138.00	-
Payment to Auditors [Refer Note 4.6A]	1.20	0.50
Establishment Expenses	20.56	-
FD Pre Closure Charges	11.29	-
Bank Charges	5.50	1.54
Interest on Income Tax	-	7.10
Insurance Premium	0.86	-
Miscellaneous expenses	11.16	0.47
Office expenses	17.28	12.07
Printing and stationery	3.34	2.88
PSLV Production-RFP & Bid Management	12.30	-
Rates and taxes	1.29	0.30
Rental charges	1.13	0.89



Registration expenses	-	1.07
Seminar, meeting and event expenses	10.00	3.23
Subscription charges	1.15	4.13
Training Fee	0.49	0.64
Travel and accomodation charges	5.87	15.59
Website maintenance	8.65	7.16
	370.89	129.15

4.6A Payment to Auditors

(Amount: INR in lakhs)

Particulars	Figures for the Year ended 31.03.2021	Figures for the period ended 31.03.2020
-As Auditor	1.20	0.50
-Increment relating to FY 2019-20	0.35	-
	1.55	0.50

5 Earnings Per Share [EPS]

(Amount: INR in lakhs)

Particulars	Figures as at 31.03.2021	Figures as at 31.03.2020
a) Profit attributable to equity share holders	12,184	5,129
b) Weighted average number of shares	100	100
c) Earnings per share - Basic and Diluted (in INR)	121.84	51.29
d) Nominal value per share (in INR)	10	10

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

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The Company did not have any potentially dilutive securities.”

6 Deferred Tax

(Amount: INR in lakhs)

Particulars	Figures for the year ended 31-03-2021	Figures as at the end of reporting period 31.03.2020
Tax effect of items constituting deferred tax assets		
On difference between book balance and tax balance of PPE	-	-
Temporary Disallowances under Income Tax Act, 1961	0.00	-
Unabsorbed Losses Carried forward as per Income Tax Act, 1961	-	-
	0.00	-
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of PPE	0.20	1.08
	0.20	1.08
Deferred Tax Asset/(liability) as on 31st March 2021	(0.20)	(1.08)
Opening Balance of Deferred Tax Asset/(Liability)	(1.08)	-
Amount (Net)	(1.28)	(1.08)

* The tax rate for the Financial Year 2020-21 considered for deferred tax purposes is 25.168%

Deferred Tax Liability is due to the difference in the depreciation on Property, Plant and Equipment, Intangible assets between Companies Act and Income Tax Act.

7 Contingent Liabilities and Commitments

(Amount: INR in lakhs)

Particulars	Figures for the year ended 31-03-2021	Figures as at the end of current reporting period 31.03.2020
i) Contingent Liabilities		
(A) Guarantees:		
(a) Bank Guarantee		
- Towards ST Electronics	14,468.01	6,003.60
- Towards KWDP	-	48.85
	14,468.01	6,052.45
(b) Guarantee towards security for Corporate Cards	-	21.00
	14,468.01	6,073.45
ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(b) Other commitments (Contractual commitments for sales and service)	NIL	NIL
	NIL	NIL
	NIL	NIL



NOTES FORMING PART OF FINANCIAL STATEMENTS

8.1 Related Party Disclosure:

- a. Newspace India Limited is a wholly owned Government of India Company under the administrative control of Department of Space, Government of India.
- b. The workforce of the company is consist of officials from ISRO on working arrangement and Company's own roll. The salary expenditure incurred by ISRO for such workforce are reimbursed to them at actuals. Payment towards retirement benefits in respect of them are borne by ISRO.
- c. The Key Managerial Personnel as per Accounting Standard 18 "Related Party Disclosures" are Shri Narayanan G, Chairman and Managing Director and Shri Radhakrishnan D, Director (Technical & Strategy). There are no transactions with such parties during the period other than reimbursement of their remunerations and employees benefits to Indian Space Research Organisation (ISRO).

Name of the related party	Relation
1) Department of Space	Wholly Owned Company
2) Indian Space Research Organization	A wing under the administrative control of Department of space
3) Key Managerial Personnel	
a) Shri Narayanan G	Chairman and Managing Director
c) Shri Radhakrishnan D.	Director (Technical & Strategy)

The relevant disclosure as per AS-18 " Related Party Diclosures" are as below

Transactions with the Related party:

(Amount: INR in lakhs)

Particulars	Figures for the current year ended 31-03-2021	Figures for the previous reporting period ended 31-03-2020
Department of Space [DOS]		
Revenue from services rendered during the year	-	-
Cost incurred towards services during the year	82,290.76	22,703.11
Indian Space Research Organization [ISRO]		
Remuneration to Key Managerial Personnel	87.77	88.32
Remuneration to Others	134.66	79.17

Outstanding Balances to Related party

(Amount: INR in lakhs)

Particulars	Figures for the current year ended 31-03-2021	Figures for the previous reporting period ended 31-03-2020
Due to Department of Space, Government of India	196.18	7,713.89
Due to Indian Space Research Organization	23.88	72.32

8.2 The Company has requested confirmation of balance as on 31st March 2021 from its customers, except the customers with whom the contracts are closed or dues received before Balance Sheet preparation and responses were received from a few customers. In the opinion of the management, there will not be any material effect in the Statement of Profit and Loss on account of non-confirmation of balances.

The confirmation of balance from Department of Space, Government of India as on 31st March 2021 have not been obtained in respect of Space Segment Charges-INSAT/GSAT, as Department is contemplating for transfer of satellite assets to the company with effect from 1st April 2020.

8.3 The details of Corporate and Social Responsibility:

(a) Gross amount required to be spent by the Company during the year INR 138.00 lakhs
(Previous year- INR NIL)

(b) Amount spent during the year:

(Amount: INR in lakhs)

Particulars	Figures at the end of current reporting ended 31.03.2021
Amount allocated to be spent by the company for the year	138.00
Amount spent during the year (on actual payment and not in kind)	
Armed Force Flag Day Fund	5.00
The Culture Fund	5.00
The Capacity Building Programme	5.51
Supply of wooden desks, benches, tables to colleges	6.50
Construction of Community Toilet	7.33
Distribution of aids and appliances to the needy persons with disabilities	8.75
Committed amount kept in separate bank account	66.57
Amount proposed to be transferred to specified fund	33.34
Total	138.00

8.4 Proposed Dividend:

(Amount: INR in lakhs)

Particulars	Figures for the current year ended 31-03-2021	Figures for the previous reporting period ended 31-03-2020
(a) The amount of Dividend proposed to be distributed to Equity Shareholders for the period	Exempted	1,540
(b) Dividend per share	Not Applicable	15.40

The Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDS) meeting held on 12.03.2021 under the Chairmanship of Secretary, Department of Investment and Public Asset Management (DIPAM) vide F. NO. 4 (30) (1)/2018-DIPAM-I (Pt) dated 18.03.2021, exempted the Company from payment of annual dividend for the FY 2020-21.



- 8.5** During the year, a contract with M/s Spaceflight Inc., USA entered into by the Company during 2019-20 was terminated and consequently, the amounts received from the said party were refunded in part and balance was refunded in the FY 2021-22. Accordingly, the net revenue of INR 629.80 lakhs were reversed during the year.
- 8.6** During the year, the Company raised certain invoices with a party towards launch services. The contract could not be fulfilled because of delay in making available the satellite to the Company by the Customer within the period specified in the contract. The amount is contingent on propable settlement of refund claim that may arise from the party. Therefore, these invoices have not been recognised as revenue during the year. Appropriate amount will be recognised as income based on the final outcome.
- 8.7** During the year, the Company has entered into Novation agreement with Parties. Accordingly, contracts partially performed by a earlier party are taken up by the Company for completing the performance towards dedicated launch services. In accordance with the said agreement, the revenues to be received by the Company under the contract would alone be the revenue of the Company. The Revenue recognition is being made accordingly.
- 8.8** Government of India, Ministry of Corporate Affairs vide Notification No.2437(E) dated 04 September 2015 exempted from disclosure of Additional Information of the General Instructions for preparation of Statement of Profit and Loss in Schedule III of the Companies Act 2013 in respect of the following paras:
- 5(viii)(a) Value of imports calculated on C.I.F basis by the company during the financial year in respect of (I) Raw materials; (II) Components and spare parts (III) Capital goods;
- b) Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest and other matters;
- c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;
- d) Earning in foreign exchange classified under the following heads, namely: I.Export of goods calculated on F.O.B basis, II.Royalty, know-how, professional and consultation fees, III.Interest and dividend, IV. Other income, indicating the nature thereof.
- 8.9** The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the divdiends were due and the year to which the dividend related: NIL

8.10 The Details of the Year End Currency Translation are as follows:

Particulars	Year end currency translation [in INR]	Dr/Cr	Statement of Profit and Loss
Relating to Outstanding Liabilities and Assets	158.34	Cr	Credited to Other Income
	(45.29)	Cr	(Credited to Other Income)

Previous year's figures are shown in bracket, " Cr" denotes "Credit" and "Dr" denotes "Debit"

- 8.11** The Company has maintained fixed deposits amounting to INR 15,447.76 lakhs [Previous year (2019-20) INR 6,192.97 lakhs as Security against Bank Guarantees issued by State Bank of India for Euro 16,550,000 [Previous Year 2019-20 Euro 7,500,000] equivalent to INR 14,468.01 lakhs [Previous Year 2019-20

INR 6,003.60 lakhs]. The Company is earning interest at card rates on such fixed deposits. At present, there is no incident of “Provision” as defined in Accounting Standards and accordingly disclosures does not arise. For the year 2019-20, fixed deposits of INR 21.00 lakhs at ICICI Bank Limited was maintained as guarantee towards security for corporate credit cards. However no such security kept for FY 2020-21.

8.12 Opinion of the Board about realisable value of any of the assets other than fixed assets and non-current investments in the ordinary course of business:

Board is of the opinion that such assets will have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Accounts

8.13 Disclosure under Accounting Standard 26: Intangible Assets

a	Class of Intangible Assets	Computer Software
b	Nature of Intangible Assets	Purchase of Computer software
c	Useful lives or the amortisation rates used	3 years from the date of purchase of software available for use and 5 years for software under development from the date of acceptance.
d	Amortisation methods used	Straight Line Method
e	Gross carrying amount	INR 7.89 Lakh
f	Accumulated amortisation	INR 0 .01 Lakh
g	Accumulated impairment losses at the beginning and end of the period	NIL
h	Reconciliation of the carrying amount at the beginning and end of the period	As furnished in the Annexure to Note 3.8
i	Additions, indicating separately those from internal development and through amalgamation	Bought out Software of INR 0.34 Lakh
j	Retirements and disposals	INR 6.48 Lakh
k	Impairment losses recognised in the Statement of Profit and Loss during the period (if any)	NIL
l	Impairment losses reversed in the Statement of Profit and Loss during the period (if any)	NIL
m	Amortisation recognized during the period	INR 0.01 Lakh
n	Other changes in the carrying amount during the year	NIL

8.14 The Miscellaneous Expense shown in “Other Expenses” includes prior period expenses of INR 7.47 lakhs.

8.15 No Provision for Gratuity is made for the Financial Year 2020-21 as no employee on the rolls of the Company has completed 6 months of service as on Balance Sheet date, in line with the Report of Actuary.

8.16 Leave Obligations cover the Company’s Liability for the Earned Leave and Half Pay Leave. It is Un-funded Scheme. The provisions for Leave Encashment are made on the basis of Actuarial valuation as per Accounting Standard (AS)- 15 (Revised) and the following are the disclosures:



Current & Non-Current Bifurcation 31-03-2021 (INR in Lakhs)

Bifurcation of			
	Present Value Obligation (Unfunded Scheme)		
1	Current	0.12	
2	Non- Current	0.82	
Change in Obligation over the period ending on 31-03-2021			
1	Present Value of Defined Benefits Obligation At Beginning (Opening)	-	
2	Interest Cost	-	
3	Current Service Cost	0.93	
4	Plan Amendments	-	
5	Prior Service Costs	-	
6	Benefits Pay-outs from plan	-	
7	Curtailments	-	
8	Settlements	-	
9	Actuarial (Gains)/ Loss	-	
10	Benefit payments from employer	-	
11	Acquisitions/ Divestures/ Transfers	-	
12	Present Value of Defined Benefits Obligation At Beginning (Closing)	0.93	

Net Asset/ (Liability) Recognised in Balance Sheet

1	Net Asset (Liability) Recognised at the beginning of the period	-	
2	Employer expenses	0.93	
3	Employer Contribution	-	
4	Employer direct benefit payments	-	
5	Acquisition/ Divestures	-	
6	Effect of the Limit in Para 59(b)	-	
7	Net Asset/ (Liability) Recognised at the end of the period	0.93	

Assumption

1	Discount rate	7.12%	
2	Expected return on assets	-	
3	Salary Escalation	7%	
4	Attrition Rate	5.00%	
5	Leave Accounting & Consumption Technique	LIFO	

6	Proportion of Leave Availment	5.00%	
7	Proportion of encashment on seperation	95.00%	
8	Mortality- Indian Assured Lives Mortality (2012-14) (Ultimate)		

**The Following Demographic Assumptions were used in valuing
The Liabilites and Benefits Under the Plan.**

	Mortality	Indian Assured Lives Mortality (2012-14)	
		Ultimate	
	Disability	5% of mortality rate	
	Withdrawal	5.00%	
	Retirement Age	60	

**Table of Sample Mortality from Indian Assured Lives Mortality 2012-14
Mortality (per annum)**

	Age	Mortality	
	20	0.00092	
	30	0.00098	
	35	0.00120	

8.17 Estimation of uncertainties relating to the global health pandemic from COVID-19

The global pandemic identified as COVID-19 has spread its impact on Indian geographies too during the financial year. In response, the Government initiated many measures such as lockdowns hygiene practices, social distancing, changes in social greeting have been new norms. NSIL followed the Covid-19 Guidelines issued by the Governments from time to time. Company is monitoring the developments in society and economy closely and continuously, identifying immediate and long term challenges, opportunities and growth drivers arising from the present condition and developing effectiveness, response, plans and strategies. The Company has reviewed the Financial statements more specifically at this stage in the light of these developments and concluded that no adjustment is needed for carrying value of any of the assets.

8.18 NSIL is functioning from the building owned by DOS and necessary capitalisation or rent or lease liability will be provided in the books of accounts on receipt of such intimation from DOS.

8.19 Figures have been rounded off to the nearest Lakhs and figures for the previous years have been regrouped/ rearranged wherever necessary to conform with the presentation of the current year.

For **M/s Pal and Shanbhogue**
Chartered Accountants
Firm Regn No: 002528S

For and on behalf of the Board of Directors

Sd/-
K.R.Shanbhogue
Partner
ICAI Membership No. 18578

Sd/-
Annamalai Arunachalam
Director, Technical & Strategy
DIN: 0009262267

Sd/-
Radhakrishnan Durairaj
Chairman and Managing Director
DIN: 08382973

Date: 13th August 2021
Place: Bengaluru

Sd/-
K Renu
Company Secretary

(Amount: INR in lakhs)

Note on Property, Plant & Equipment

Particulars	3.7 PROPERTY, PLANT & EQUIPMENT										Net carrying Amount as on 31.03.21							
	Gross Block		Depreciation		Net carrying Amount as on 31.03.20		Gross Block					Depreciation						
	As on 31.03.19	Addition during the year	As on 31.03.20	Upto 31.03.19	For the year	Upto 31.03.20	As on 01.04.2020	Addition during the year	Transfer in/adjust	Sale		discarded	Transfer out/ Adjust	As on 31.03.21	Upto 31.03.20	For the year	Deduction for sale/Transfer	Upto 31.03.21
Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings - Temporary Structures	-	11.10	11.10	-	1.65	1.65	11.10	-	-	-	-	11.10	-	1.65	3.66	-	5.31	5.79
Buildings - Electrical Systems	-	0.13	0.13	-	0.01	0.12	0.13	1.79	-	-	-	1.92	0.01	0.03	-	-	0.04	1.88
Buildings - Interiors	-	0.93	0.93	-	0.20	0.73	0.93	-	-	-	-	0.93	0.20	0.31	-	-	0.51	0.42
Sub Total	-	12.17	12.17	-	1.85	10.31	12.17	1.79	-	-	-	13.96	1.85	4.00	-	-	5.86	8.10
Furniture and Fixtures	-	18.28	18.28	-	1.46	16.83	18.28	6.27	-	-	-	24.55	1.46	1.95	-	-	3.41	21.14
Computers and Peripherals	-	20.53	20.53	-	4.89	15.64	20.53	5.62	-	-	-	26.15	4.89	7.90	-	-	12.79	13.36
Office Equipments	-	8.78	8.78	-	1.24	7.54	8.78	1.32	-	-	-	10.10	1.24	1.97	-	-	3.20	6.89
Communication Systems	-	2.24	2.24	-	0.42	1.82	2.24	-	0.78	-	-	1.46	0.42	0.57	0.31	-	0.68	0.78
TANGIBLE ASSETS - GRAND TOTAL	-	61.99	61.99	-	9.85	52.14	61.99	15.00	-	0.78	-	76.21	9.85	16.40	0.31	-	25.94	50.27

3.8 INTANGIBLE ASSETS

Particulars	3.8 INTANGIBLE ASSETS										Net carrying Amount as on 31.03.21							
	Gross Block		Amortization		Net carrying Amount as on 31.03.20		Gross Block					Amortization						
	As on 31.03.19	Addition during the year	As on 31.03.20	Upto 31.03.19	For the year	Upto 31.03.20	As on 31.03.20	Addition during the year	Transfer in/adjust	Sale		discarded	Transfer out/ Adjust	As on 31.03.21	Upto 31.03.21	Deduction for sale/Transfer	Upto 31.03.21	
Computer Software	-	6.48	6.48	-	0.30	6.18	6.48	0.34	-	-	-	6.48	0.30	6.19	6.48	0.01	0.33	0.33
INTANGIBLE ASSETS -TOTAL	-	6.48	6.48	-	0.30	6.18	6.48	0.34	-	-	-	6.48	0.30	6.19	6.48	0.01	0.33	0.33

3.9 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	3.9 INTANGIBLE ASSETS UNDER DEVELOPMENT										Net carrying Amount as on 31.03.21							
	Gross Block		Amortization		Net carrying Amount as on 31.03.20		Gross Block					Amortization						
	As on 31.03.19	Addition during the year	As on 31.03.20	Upto 31.03.19	For the year	Upto 31.03.20	As on 31.03.20	Addition during the year	Transfer in/adjust	Sale		discarded	Transfer out/ Adjust	As on 31.03.21	Upto 31.03.21	Deduction for sale/Transfer	Upto 31.03.21	
Software (for Online Customer Portal)	-	7.55	7.55	-	-	7.55	7.55	-	-	-	-	-	-	-	-	-	-	7.55
INTANGIBLE ASSETS UNDER DEVELOPMENT -TOTAL	-	7.55	7.55	-	-	7.55	7.55	-	-	-	-	-	-	-	-	-	-	7.55

Note:

- There are no acquisitions through business combinations and impairment losses/reversals
- As per amendment made in the Schedule II to the Companies Act, 2013 which is mandatory for financial statements in respect of financial years commencing on or after the 1st April, 2015, component accounting is implemented during the year for Building and such components are furnished under broad head of Building



NewSpace India Limited (NSIL)
(A CPSE under Department of Space, Govt. of India)

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