



**NewSpace India Limited (NSIL)**

A Central Public Sector Enterprise (CPSE) under Department of Space (DOS)

# **4<sup>th</sup> Annual Report 2022-23**



## CONTENTS

	Page No.
<b>Board of Directors</b>	<b>4</b>
<b>Chairman’s Speech</b>	<b>5</b>
<b>Delivering Value – Vision &amp; Mission</b>	<b>6</b>
<b>Corporate Information</b>	<b>7</b>
<b>Directors’ Report</b>	<b>9</b>
<b>Management Discussion &amp; Analysis Report</b>	<b>20</b>
<b>Report on Corporate Governance</b>	<b>23</b>
<b>Chief Executive Officer (CEO) Certificate</b>	<b>29</b>
<b>Declaration by Chairman &amp; Managing Director</b>	<b>30</b>
<b>Annual Report on CSR Activities</b>	<b>31</b>
<b>Corporate Governance Compliance certificate</b>	<b>35</b>
<b>Independent Auditors’ Report</b>	<b>36</b>
<b>Comments of the Comptroller &amp; Auditor General of India on the Financial Statements for the year ended 31<sup>st</sup> March 2023</b>	<b>47</b>
<b>Balance Sheet as at 31<sup>st</sup> March 2023</b>	<b>48</b>
<b>Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2023</b>	<b>50</b>
<b>Statement of changes in Equity</b>	<b>51</b>
<b>Cashflow Statement for the year ended 31<sup>st</sup> March 2023</b>	<b>53</b>
<b>Other Notes forming Part of the Financial Statements</b>	<b>55</b>

## BOARD OF DIRECTORS

The Members of our Board manage the business and operations of the Company. The Board presently comprise of Two Functional Directors including the Chairman and Managing Director and Three Government Nominee Directors.

### FUNCTIONAL DIRECTORS



**Shri Radhakrishnan Durairaj**  
*Chairman and Managing Director*



**Shri A Arunachalam**  
*Director (Technical & Strategy)*

---

### GOVERNMENT NOMINEE DIRECTORS



**Dr M Subramanyam**



**Smt Uma Sekhar**



**Dr Neeraj Sinha**

## CHAIRMAN'S SPEECH

It is my pleasure to inform that during the year 2022-23, Company has performed exceedingly well, across all business verticals. During the year, Company has earned a total Revenue of INR 2940.42 Cr with a net profit of INR 467.03 Cr.

On the business side, some of the significant achievements has been commissioning of GSAT-24 Communication Satellite for DTH customer; NSIL's 1<sup>st</sup> Demand Driven mission; launching of 72 OneWeb Satellites on-board two Dedicated LVM-3 rockets; launching of 1<sup>st</sup> International Commercial Satellite on-board SSLV-D2; Dedicated PSLV launch services for Singapore; Signing of 30 Technology Transfer agreements including transfer of IMS-1 Small Satellite Bus; In the area of Satellited based services, several service agreements were signed with users to optimally utilise the capacity available on-board NSIL's 11 in-orbit Communication Satellites. In addition, NSIL has been awarded contract by Department of Fisheries to install and commission 1 lakh Mobile Satellite Service (MSS) terminals for Vessel Communication and Support System (VCSS) in Marine Fishing vessels for monitoring, control and surveillance across 9 Coastal States and 4 Union Territories, as part of Prime Minister Matsya Sampada Yojana.



On Corporate Governance front, the Company complied with good Corporate Governance practices. Based on the best practices adopted, the Company has achieved 'Excellent' grading in Corporate Governance.

A strong social conscience has always driven the Company, which is reflected in our Corporate Social initiatives. Health and Nutrition has been focus area for our recent CSR endeavours. Out of the total 21 CSR projects undertaken during the year, thirteen projects were undertaken towards development of Health and Nutrition. Further, in the aspirational district of Narmada, Gujarat, the Company has undertaken construction of Science Park.

I am also happy to share that NSIL has been certified for ISO 9001:2015 Quality Management System.

The future looks promising for the Company in view of the Government initiatives towards encouraging, supporting and providing start-ups and private companies an opportunity to engage in space related activities both at Upstream and Downstream businesses.

We remain optimistic about the global space demand and reiterate our commitment in delivering quality and competitive services to our customers.

Thank You,

Warm Regards,

**Radhakrishnan D**

Chairman and Managing Director

Place: Bengaluru

NB : This does not purport to be a record of the proceedings of 04<sup>th</sup> Annual General Meeting.



## 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”**



## CORPORATE INFORMATION

CIN:U74999KA2019GOI122175

### Board of Directors

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

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

Dr Neeraj Sinha, Senior Advisor & Head, NITI Aayog (from 26.11.2021)

Smt Uma Sekhar, Additional Secretary (Legal & Treaty), Ministry of External Affairs (from 16.12.2021)

Dr Subramanyam M, Joint Secretary [Enterprise, Policy & Legal], Department of Space (from 17.03.2022)

### Management Team

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

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

Company Secretary - Smt S Shanmuga Priya (from 10.03.2023)

- Smt Renu K (from 16.04.2021 to 31.08.2022)

### Committees of the Board

#### Audit Committee

Dr Subramanyam M - Chairman

Smt Uma Sekhar - Member

Dr Neeraj Sinha - Member

Shri Arunachalam A - Member

#### Remuneration Committee

Smt Uma Sekhar - Chairperson

Dr Neeraj Sinha - Member

Dr Subramanyam M - Member

### Corporate Social Responsibility & Sustainable Development Committee

Dr Neeraj Sinha - Chairman

Smt Uma Sekhar - Member

Dr Subramanyam M - Member

Shri Arunachalam A - Member



## **Bankers**

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

ICICI Bank,  
8<sup>th</sup> Main,  
Malleswaram,  
Bengaluru-560 055

## **Registered Office**

Room No F01,  
HSFC Building  
ISRO HQ,  
New BEL Road  
Bengaluru-560 094

## **Auditors**

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

## **Advocates & Solicitors**

M/s King Stubb & Kasiva,  
Branch Office at:  
1A, Lavelle Mansion,  
1/2 Lavelle Road,  
Bengaluru-560 001

## **Corporate Office**

ISRO HQ Campus,  
New BEL Road  
Bengaluru-560 094



## Directors' Report

Dear Members,

It is indeed my proud privilege on behalf of Board of Directors to present the 04<sup>th</sup> Directors' Report on the "Business and Operations" of the Company along with Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023 and the Auditors' Report and comments on the accounts by the Comptroller and Auditor General (C&AG) of India.

### **MAJOR HIGHLIGHTS**

The Financial Year 2022-23 has been an eventful year in terms of businesses and revenue for the Company. Major highlights of NSIL's business accomplishments during the year 2022-23 has been:

- Accomplishing the **1<sup>st</sup> Demand Driven communication satellite mission (GSAT-24)**.
- Successful entry of **ISRO's Heavy Lift Launcher GSLV- Mk III [LVM-3]**, into Global commercial launch service market.
- Launch of **72 OneWeb Satellites** on-board two LVM-3 rockets.
- Dedicated **PSLV launch services for Singapore** Satellite Customer.
- Launch of **1<sup>st</sup> International Commercial Satellite on-board SSLV-D2** (Second Developmental Flight of Small Satellite Launch Vehicle).
- Signing of contract with HAL and L&T consortia for **End-to-End Production of 5 nos of PSLV** through Indian Industry.
- **Contract with Indian Army** for building and launching Communication Satellite.
- Agreement with Department of Fisheries for **installing 1,00,000 Vessel Communication and Support terminal for Marine Fishing vessels** - National Rollout plan.
- Satellite Based services through nearly **150 plus contracts for providing service** through NSIL's In-Orbit Communication Satellites.
- Signing of **30 technology transfer agreements** for transferring ISRO developed technology to Industry including IMS-1 Small Satellite Bus.

### **REVIEW OF BUSINESS**

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 and the Company has been vested with the responsibility of undertaking space-based missions on a "Demand Driven" based model.

NSIL's role and responsibilities towards carrying out space related activities, post space reforms are as indicated below:

Activity	Description
Owning satellites	• Owning satellites for Earth Observation and Communication application purposes and providing space-based services
Building and launching satellites	• Building and launching satellites as per customer demand
Providing Launch Services	• Providing Launch Services for satellites belonging to customers
Building Launch Vehicles	• Building launch vehicles through Indian Industry
Space based Services	• Providing Space based Services related to Earth Observation and Communication satellites on commercial basis
Technology Transfer	• Transfer of technology developed by ISRO to Indian industry partners

## **BUSINESS VERTICALS**

To cater to the business needs and the enhanced mandate of NSIL as approved by the Cabinet, Company has created six business verticals as indicated below:



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

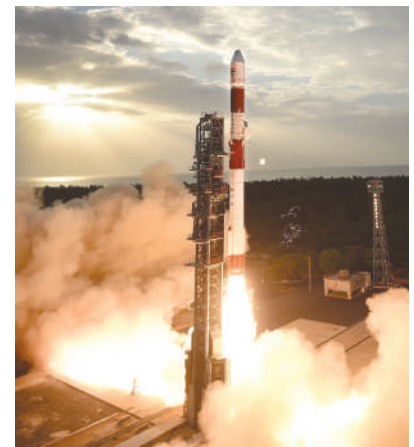
- As part of this, NSIL undertook its 1<sup>st</sup> Demand Driven Communication Satellite Mission named GSAT-24 meant for meeting Direct-To-Home (DTH) service needs. NSIL got this satellite built by ISRO. The satellite was successfully launched during June 2022. GSAT-24 satellite is presently positioned at its designated slot of 83degE. The entire satellite capacity has been leased to M/s Tata Play for meeting their DTH needs. Entire funding for the mission has been borne by NSIL.
- NSIL is progressing towards undertaking its 2<sup>nd</sup> and 3<sup>rd</sup> Demand Driven Satellite missions involving HTS Satellite GSAT-20 and S-band communication satellite GSAT-N3.

### **End-to-End Launch Vehicle building through Indian Industry**

- As part of its mandate, NSIL has signed a contract with M/s HAL [Lead Partner of M/s HAL and L&T consortia] for manufacturing 5 nos of PSLV. The 1<sup>st</sup> fully Indian Industry manufactured PSLV will be realised by 2024 and subsequent vehicles every six months.

### **Launch Services for customer satellites on-board ISRO's Launch Vehicle**

- As on date, NSIL has successfully launched 62 International and 2 Indian customer satellite on-board PSLV. This includes successful completion of 4 Dedicated Customer satellite missions on-board PSLV.
- During the year, NSIL has launched the following satellites as ride-shares:
  - a. 7 Co-passenger Customer Satellites – Thybolt-1 and Thybolt-2 of Dhruva Space, India; Anand Satellite of Pixxel Inc., USA; and 4 Satellites of Astrocast, Switzerland under commercial arrangement – onboard PSLV-C54 during November 2022.
  - b. One customer satellite onboard SSLV-D2 viz., Janus-1 from Antaris Inc., USA during February 2023



- NSIL has in hand 3 signed Dedicated PSLV Launch Service contracts in hand for launching customer satellites during 2023 and 2024.
- NSIL has launched 72 OneWeb LEO Broadband Communication Satellites for M/s Network Access Associates Limited (M/s OneWeb), United Kingdom onboard two LVM3 vehicles. This was a historic milestone for NSIL as with this **GSLV MkIII (LVM3) has made its entry into Global commercial launch service market.**
- PSLV Orbital Experimental Module (POEM) opportunities
  - a. NSIL has encouraged industry participation opportunities for launching payloads for Technology demonstrations and carrying out in-orbit scientific experiments onboard PSLV Orbital Experimental Module (POEM)
  - b. PSLV-C53 mission:
    - i. M/s Dhruva Space: Dhruva Space Orbital Deployer 1U (DSOD 1U)
    - ii. M/s Digantara: ROBI (ROBust Integrating proton fluence metre)
  - c. PSLV-C55 mission:
    - i. M/s Dhruva Space: 3 payloads viz., Dhruva Space Orbital Deployer 3U, Dhruva Space Orbital Deployer 6U & Dhruva Space Orbital Link
    - ii. M/s Bellatrix: ARKA 200 Hall Effect Thruster
    - iii. Indian Institute of Astrophysics: Starberry sensor



### **Satellite Building**

- NSIL, as part of SATCOM Services, is provisioning transponders in C, Ku and Ext. C band on-board INSAT/GSAT satellites for various applications 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.
- During July 2022, Union Cabinet, Govt. of India (GoI) approved transfer of 10 in-orbit communication satellites viz. GSAT-8, GSAT-10, GSAT-12R, GSAT-14, GSAT-15, GSAT-16, GSAT-17, GSAT-18, GSAT-30 and GSAT-31 from GoI to NSIL with effect from 01<sup>st</sup> April 2021. With this transfer, NSIL is owning these 10 satellites and providing various services like DTH, VSAT, TV, DSNG etc. to the customers from Government, Private and Public sectors under 150+ Agreements/ MOUs.
- NSIL is also commercializing HTS capacity on-board GSAT-11, GSAT-19, and GSAT-29 satellites to Government/ Private/ Public Sector users

### **Mission Support**

- Till date, NSIL has provided Thirteen (13) Launch Vehicle Tracking Supports and Three (3) Launch and Early Orbit Phase (LEOP) support to Indian and International Customers as part of Mission support services.
- NSIL has provided Launch Vehicle Tracking Support to an International customer in December 2022.
- NSIL continue to provide TTC support for Amazonia-1 Mission for the third year.
- NSIL has signed 4 contracts for providing Deep Space Mission Support and Mission Support Service Contracts for International and Indian Customers during 2023.

### **Technology Transfer & Spin-off**

- Till date, NSIL has signed 30 Technology Transfer Agreements for transferring ISRO developed Technologies to Industry. In the area of Technology Transfer, the most significant achievement for NSIL is the transfer of IMS-1 small satellite bus technology to Indian industry.

### **FINANCIAL SUMMARY / HIGHLIGHTS**

During the financial year 2022-23, Company has achieved a Turnover of INR 2,84,226.44 Lakh and a Profit after Tax of INR 46,702.67 Lakh. The highlights are given below:

(INR Lakhs)

<b>Particulars</b>	<b>For the Financial Year 2022-23</b>	<b>For the Financial Year 2021-22</b>
Domestic Turnover	1,67,698.97	148,841.48
Export Turnover	1,16,527.47	18,635.36
<b>Total Turnover</b>	<b>2,84,226.44</b>	<b>1,67,476.84</b>
Other Income	9,816.07	5,707.60
<b>Total Revenue</b>	<b>2,94,042.51</b>	<b>1,73,184.44</b>
Total Expenditure	2,31,466.07	1,27,269.32
Profit/ (Loss) Before Tax	62,576.44	45,915.12
Income Tax	15,873.77	11,616.50
<b>Profit/ (Loss) After Tax</b>	<b>46,702.67</b>	<b>34,298.62</b>
Proposed Dividend on Equity Shares	Proposed for seeking exemption	
Transfer to General Reserve	NIL	NIL

### **DIVIDEND**

It is proposed to seek exemption from payment of dividend for the FY 2022-23 from Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India, considering the projects to be undertaken in upcoming years.

### **RESERVES**

During the year under review, no amount is being proposed to be transferred to general reserve.

### **CONTRIBUTION TO EXCHEQUER**

The Company contributed an amount of INR 23,405 lakhs in the form of Duties and Taxes during the FY 2022-23.

### **CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the Company during the financial year 2022-23.

### **MATERIAL CHANGES AFFECTING FINANCIAL POSITION OCCURRING BETWEEN THE END DATE OF FINANCIAL YEAR AND THE DATE OF THE REPORT**

There were no material changes affecting the financial position of the Company between the end of the Financial Year and the date of this Report.



## **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 invited any deposits from the public during the financial year 2022-23.

## **LOANS, GUARANTEES & INVESTMENTS**

During the year 2022-23, no loan, guarantee or investment under section 186 of the Companies Act, 2013 have been made.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal controls over financial reporting for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Company has engaged M/s. Vighnesh CN & Associates, Chartered Accountants as Internal Auditors for FY 2022-23 to ensure adequacy of systems and controls. The Audit Committee reviews the Internal Audit report.

## **SHARE CAPITAL**

During the year under review, to accommodate the issue of equity shares against the transfer of 10 in-orbit Communication Satellite assets from Government of India to NSIL, the authorised capital of the Company has been increased from INR 1000,00,00,000/- (Rupees One Thousand Crores) to INR 7500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only) divided into 750,00,00,000 equity shares of INR 10/- each.

Pursuant to Government of India order, the Company has allotted 4,69,76,000 shares to the existing shareholders on rights issue basis.

As on 31<sup>st</sup> March 2023, the total issued and paid-up capital of the Company was INR 5607,60,00,000/- (Rupees Five Thousand Six Hundred Seven Crore and Sixty Lakhs only) divided into 560,76,00,000 equity shares of INR 10/- each fully paid up. The Shareholding of Government of India is 100%.

## **MEMORANDUM OF UNDERSTANDING (MoU)**

The Company has signed a Memorandum of Understanding (MoU) with the Department of Space, Government of India. The evaluation for the year 2022-23 is under finalisation.

## **QUALITY MANAGEMENT SYSTEMS**

As on date of the report, NSIL has been certified for ISO 9001:2015.

## **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 is primarily involved in commercialisation of products & services relating to space industry and its Project Management. Within its limited scope, necessary efforts are made to procure goods / services from MSMEs.

The Company has made necessary provision in the tenders stating the eligibility of MSEs to participate in the tender. The Company has registered itself on TReDS platform, MSME Sambandh, MSME Samadhan and Government e-marketplace (GeM) Portals in compliance with Government Guidelines. The procurement of products and services from Micro and Small Enterprises during the year 2022-23 achieved is 41.45%.

### **CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT (CSR & SD)**

The Company meticulously took care of its social responsibility and spent INR 494.20 Lakhs during the financial year 2022-23. Annual Report on CSR activities including the composition of CSR Committee is enclosed to the report.

The details of the CSR policy, projects and programmes are available on the website of the Company on at <https://www.nsilindia.co.in/csr>

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company, is a wholly owned Government Company under the administrative control of the Department of Space (DOS). The workforce of the Company has officials from ISRO on working arrangement, whose salary expenditure are reimbursed at actuals.

All related party transactions entered during the year 2022-23 were in the ordinary course of the business and are on an arm's length basis.

The Disclosure of related party transactions as per AS-18 and IND AS-24 issued by the Institute of Chartered Accountants of India, is given at Note no 34 and 40 of the Other Notes forming part of the Financial Statements for the Financial Year 2022-23.

### **HUMAN RESOURCE DEVELOPMENT**

The Company is managed by executives deputed from DOS / ISRO, on working arrangement basis and executives recruited directly to its payroll.

As on 31<sup>st</sup> March, 2023, the Company had 10 employees including 4 Women executives on its payroll. The Company has complied with the Government of India guidelines on reservations.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The Company being a wholly owned Government Company, the provisions of Section 197 of the Act and relevant Rules issued thereunder do not apply.

### **COMPLIANCE WITH SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

An Internal Complaints Committee has been constituted at DOS (Administrative Ministry) level with one representative from the Company as a member, for looking into the complaints relating to sexual harassment of women at workplace. During the year 2022-23, no complaints were received and no case is pending.

### **IMPLEMENTATION OF THE RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016**

All Divyangjans employees are being provided with the facilities as per the laid down guidelines from time to time. Divyangjans are provided with allowances and other exemptions during recruitment.

### **RIGHT TO INFORMATION ACT**

The Company has put in place an appropriate mechanism for promoting transparency and accountability in compliance



to the requirements under Right to Information Act, 2005 (“RTI Act”). The Company has nominated Central Public Information Officer at its Corporate Office to provide the required information under the provisions of the Act. In line with the requirements under Section 4(1)(b) of the Act, the Company has posted the information on its website. In line with the Government directives, the company is processing online applications as per provisions under the RTI Act.

During the Financial Year 2022-23, the Company received 21 RTI requests. Information was provided against the said 21 requests. No request was carried forward from previous year or transferred to other Public Authority. As on 31<sup>st</sup> March 2023, there were no request pending for disposal.

### **IMPLEMENTATION OF OFFICIAL LANGUAGE**

In pursuance of Government of India Guidelines on promoting Rajbhasha ‘Hindi’, the Company, during the year made efforts along with Department of Space / ISRO to promote use of Hindi in its official works.

### **VIGIL MECHANISM**

The Company has established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the Chairperson of the Audit Committee. During the year, no person was denied access to the audit committee. The Whistle blower Policy is available on our website, at [www.nsilindia.co.in](http://www.nsilindia.co.in). The Company also has Vigilance Mechanism, headed by Chief Vigilance Officer, appointed by Department of Space.

### **RISK MANAGEMENT**

The Company has a Risk Management Policy with an objective to ensure that the Company has proper and continuous risk identification and management process.

### **INSOLVENCY AND BANKRUPTCY CODE**

During the year, no application has been made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

### **MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS**

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

### **AUDITORS**

M/s. Pal & Shanbhogue, Chartered Accountants, Bangalore was appointed as the Statutory Auditors for the year 2022-23 by the Comptroller and Auditor General of India (C&AG). The Board of Directors of your Company has fixed ₹1.65 lakh plus applicable taxes as the Statutory Audit fees for the year 2022-23.

### **AUDITORS’ REPORT**

The Auditors’ Report on the Annual Accounts for the financial year 2022-23 and comments of the Comptroller & Auditor General of India under Section 143(6) of the Companies Act, 2013 are appended to this Report.

### **FRAUDS REPORTED BY THE AUDITOR**

No fraud has been reported by the Auditors during the financial year 2022-23.

## **COMMENTS & EXPLANATIONS ON AUDITORS' REPORT**

There was no qualification, reservation, adverse remark or disclaimer made by the auditors in their Audit Report for financial year 2022-23.

## **CORPORATE GOVERNANCE**

The report on Corporate Governance on the compliance of Corporate Governance conditions as stipulated in DPE guidelines forms part of Directors report. The Certificate on the Compliance of Corporate Governance Conditions, from M/s. BRKS & Associates, Company Secretaries, Bengaluru also forms part of Directors' report.

The observations of the M/s. BRKS & Associates and the explanation of the management to the same is as follows:

<b>Observations</b>	<b>Comments/Explanations</b>
In one case the gap between two Board Meetings is more than 4 months	The gap was primarily between the last meeting of FY 2021-22 and the first meeting of FY 2022-23. Due to urgent business requirements and shortage of resources, there was a delay between two Board Meetings. Management has taken note of this and ensured that this would not happen in future.
Not appointed the Independent Directors	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).  DOS is in the process of appointing the Independent Directors in the Company.
Not implemented the Whistle Blower Policy	As on date of the report, the Company has implemented the Whistle Blower Policy.

CEO Certificate is attached with Report on Corporate Governance as Annexure A.



*NSIL Exhibition Stall in Gandhinagar, Gujarat*



*CMD, NSIL briefing Shri Bhupendra Rajnikant Patel, Hon'ble Chief Minister, Gujarat and Smt. Nirmala Sitharaman, Hon'ble Minister of Finance about NSIL at exhibition in Gandhinagar, Gujarat*



## **COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

Being a wholly owned Government Company, criteria for selection, appointment and terms and conditions of appointment including remuneration of the Directors are fixed by Government of India.

As on date, the Board comprise of 5 Directors of which 2 [including the CMD] are whole time Directors and 3 are Government Nominee Directors. The Company does not have any Independent Director on the Board. The Company has requested Department of Space, Administrative Ministry to appoint requisite number of Independent Directors.

During the year under review, Shri Radhakrishnan D was regularised as Chairman and Managing Director vide Department of Personnel & Training order dated 10<sup>th</sup> June 2022.

## **BOARD MEETINGS**

During the year, four Board meetings were held, the details of which are given in the Corporate Governance Report, annexed to this report.

## **COMPOSITION OF AUDIT COMMITTEE**

As on 31<sup>st</sup> March 2023, the Audit Committee comprised of 4 (four) Members out of which 3 (three) were Government Nominee Directors and 1 (one) was a Functional Director.

During the year, 04 (four) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report.

There have been no instance during the year when recommendations of the Audit Committee was not accepted by the Board.

## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Chairman and Managing Director, Director (Technical & Strategy) and Company Secretary are declared as Key Managerial Personnel (KMP)

During the year, there were no changes in the Board of Directors.

During the year under review, Smt S Shanmuga Priya has joined as Company Secretary w.e.f. 10.03.2023 in the place of Smt Renu K, Company Secretary who had resigned from the services of the Company w.e.f. 31.08.2022.

## **BOARD / DIRECTORS EVALUATION**

Being a Government Company, the provisions relating to Performance Evaluation of Board/ Directors are exempted under the law.

## **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:**

(INR in Lakhs)

Description	2022-23	2021-22
Foreign Exchange Earnings	1,19,829	25,893.86
Foreign Exchange Outgo	77,427	66,713.59

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 on 31<sup>st</sup> March 2023 and of the profit of the company for that period;
- 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;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- 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**

Pursuant to Section 92 (3) read with Section 134 (3) of the Companies Act, 2013, a copy of the Annual Return of the Company is available on the website of the Company and can be accessed at <https://www.nsilindia.co.in/annual-report>.

**COST RECORDS**

The requirement of Cost Audit does not apply to the Company and accordingly, such accounts and records are not maintained.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report covering the business operations and future outlook as stipulated under the DPE Guidelines is annexed and forms part of the Annual Report.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

There are no instances of one-time settlement during the financial year 2022-23.

**EXPENDITURE ON FOREIGN TRAVEL**

The expenditure on official travel abroad by the officials of the Company for the financial year 2022-23 was INR 19.10 Lakh as compared to INR 3.98 Lakh of previous year.



## **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company complies with applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

## **ACKNOWLEDGEMENTS**

The Board of Directors acknowledge and place on record their appreciation and gratitude for the support and encouragement received from the Government of India, Department of Space and Indian Space Research Organisation.

The Directors would also like to thank the customers and users of its products & services, suppliers, Industry partners and all other business associates for their continuous support to the Company and their confidence in the management.

Your directors acknowledge with thanks the cooperation and support received from other Ministries, Government Departments and agencies, bankers, vendors, C&AG, Statutory Auditors, Internal Auditors, Practicing Company Secretary, Advisors, Consultants etc.

The Directors also wish to place on record their deep sense of appreciation for the dedicated services by the employees of the Company.

**For and on behalf of Board of Directors**

Date : 18.09.2023

Place : Bengaluru

**D Radhakrishnan**

Chairman and Managing Director

DIN : 08382973

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY SCENARIO

The two major streams in Space Business are Upstream and Downstream; Nearly 90% of the revenue is from Downstream activities, but the 10% of upstream activities is the driving factor to drive these Downstream activities. NSIL is involved in both Upstream and Downstream activities right from its inception and enlarging its foot prints in both streams. Space Sector Reforms announced by Government of India during June 2020, is creating a vibrant space ecosystem in the country and the number of Industry, especially startups, are on the rise in India. The reforms are in line with the global trends and the visible changes are noticed in India as well. The reforms have also enhanced the mandate of NSIL.

### ORGANISATION STRUCTURE

NewSpace India Limited (NSIL), a Central Public Sector Enterprise under Department of Space, and the commercial arm of ISRO, got incorporated during March 2019. During June 2020, as part of Space Reforms announced by Government of India, the business mandate of NSIL got significantly enhanced. As on 31<sup>st</sup> March 2023, NSIL has successfully completed four years of its commercial space business operations.

Presently, the Company is being managed by the Board of Directors consisting of Chairman and Managing Director; Director (Technical & Strategy); and Government Nominee Directors. 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 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 as well as executives on deputation / Immediate absorption from ISRO/DOS.

### BUSINESS OPERATIONS

Company's business operation under various business verticals has been addressed under Review of Business in the Directors' report.



GARAVI GUJARAT 2022 (8 - 10 JULY 2022)

## SWOT ANALYSIS

SWOT analysis is important for the Company to understand Industry Scenario and emerging opportunities and threats 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	1,16,527.47	1,67,698.97	2,84,226.44
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, at commercially competitive rates. It will also build the operational launch vehicles of ISRO through Indian Industry and will eventually own them. Company is also planning to tap the potentials of Indian Industry for the upstream and downstream activities. Company is poised to expand its foot prints to provide last mile connectivity using space-based services.

## MEASURES TO TACKLE CHALLENGES

The Company understands the risks in the business areas it has embarked and will take suitable measures for risk mitigation. The Company will take measures to counter the risks and challenges, in consultation with Administrative Ministry and Professional Advisors/Technical Consultants in the Space domain.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Financial Performance with respect to operational performance is provided in the Directors' Report.

## DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

SI No	Particulars	2022-23	2021-22	Reasons for variation
i.	Debtors Turnover	3.58	2.20	The increase in ratio is due to increase in Turnover
ii.	Inventory Turnover	N.A	N.A	
iii.	Interest coverage ratio	N.A	N.A	
iv.	Current Ratio	1.88	0.52	The ratio has improved due to increase in Current Assets on account of Advance payment for goods/ services, Bank balances
v.	Debt equity ratio	N.A	N.A	
vi.	Operating Profit Margin (%)	22	27	Due to the changes in margin % on revenue
vii.	Net Profit Margin (%)	16	20	Due to the changes in margin % on revenue



---

**DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

The return on net worth for the financial year 2022-23 was 0.12 compared to 0.42 of previous financial year 2021-22. The reason for decrease in the ratio in the financial year 2022-23 was due to issue of shares to the tune of INR 4,69,760 lakhs.

**HUMAN RESOURCE DEVELOPMENT**

The Company's operations are managed by well experienced and senior executives deputed from DOS/ISRO. The company has recruited personnel on its own payroll and engaging officers on deputation / immediate absorption from ISRO / DOS.

**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.

**For and on behalf of Board of Directors**

Date : 18.09.2023  
Place : Bengaluru

**D Radhakrishnan**  
Chairman and Managing Director  
DIN : 08382973

## CORPORATE GOVERNANCE REPORT

The details of compliance by the Company with the norms of Corporate Governance, in accordance with Department of Public Enterprises Guidelines in Corporate Governance are as under:

### Philosophy

The Corporate Governance framework and philosophy is a reflection of the Company's corporate culture, policies, values and relationship with stakeholders, which is driven relentlessly across the organisation.

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. As a good corporate citizen, the Company lays great emphasis on a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

Our Corporate Governance is reinforced through the Company's Code of Conduct and Ethics, Corporate Governance Guidelines, Policies and Committee charters. The Board and Management processes, audits and internal control systems reflect the Corporate Governance framework principles.

### Board of Directors

#### a. Composition

As on 31<sup>st</sup> March, 2023, the NSIL Board comprised of 5 Directors represented by Two Functional Directors including Chairman and Managing Director and three Government Nominee Directors.

Pursuant to DPE guidelines, the Company does not have sufficient number of Independent Directors. Accordingly, the Company has taken up with the Administrative Ministry for appointment of requisite number of Independent Directors to fulfil the statutory requirements.

#### b. Category and attendance of Directors

The particulars regarding composition of Board of Directors as on 31<sup>st</sup> March, 2023 and the details of other Directorships & Membership/ Chairmanship of Committees of Board as on that date, attendance of each Director at Board Meetings held during 2022-23, last Annual General Meeting (AGM) are furnished below:

Name of Director and Director Identification Number	Designation	Total Board meetings		Attendance at last AGM	Other directorship in public limited Company	Other committee membership	
		Held during tenure of Director	Attended during tenure of Director			As member	As Chairman
<b>Functional Directors</b>							
Shri D Radhakrishnan DIN : 08382973	Chairman and Managing Director	4	4	Yes	Nil	Nil	Nil
Shri A Arunachalam DIN : 09262267	Director (Technical & Strategy)	4	4	Yes	Nil	1	Nil

Name of Director and Director Identification Number	Designation	Total Board meetings		Attendance at last AGM	Other directorship in public limited Company	Other committee membership	
		Held during tenure of Director	Attended during tenure of Director			As member	As Chairman
<b>Government Nominee Directors</b>							
Smt. Uma Sekhar DIN : 09438145	Additional Secretary (L&T), Ministry of External Affairs	4	4	No	Nil	1	0
Dr Neeraj Sinha DIN : 09415304	Senior Advisor & Head, NITI Aayog	4	4	Yes	Nil	1	0
Dr M Subramanyam DIN : 09539830	Joint Secretary (Enterprise, Policy & Legal), DOS	4	4	Yes	1	1	1

**Note:**

- The number of Directorship positions mentioned above are as notified by the Directors.
- As per the information received none of the Directors of the Company has been a member of more than ten committees or acted as a chairman of more than five committees across all Companies in which he is a director.
- Pursuant to DPE guidelines on Corporate Governance, for the purpose of reckoning the limit on membership, Chairmanship / membership of Audit Committee alone has been considered.
- The Company has put in place system for periodical review of the compliance reports of laws applicable to the Company and steps taken by the Company to rectify the instances of non-compliance. The Board reviews the quarterly compliance certificates submitted to them periodically.

**Dates of Board Meetings**

During the year under review, four Board Meetings were held on 06.08.2022, 30.11.2022, 23.01.2023 and 31.03.2023

**Statutory Committees of Board**

The following are the Committees constituted as Board level sub-committee:

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

**1. Audit Committee**

As on 31<sup>st</sup> March 2023, the Audit Committee comprised of three Government Nominee Directors (including Chairman of the Committee) and one Functional Director as members of the Committee. Company Secretary acts as Secretary of the Committee.

The terms of reference are in compliance with the Section 177 of the Companies Act, 2013 read with Rules made thereunder and the DPE Guidelines, as amended from time to time.



During the year 2022-23, the Audit Committee met four times, i.e on 06.08.2022, 30.11.2022, 22.01.2023 and 31.03.2023.

The details of the composition of the Audit Committee and the attendance of members are as follows:

SI. No	Name of Director	Designation	Meetings held during tenure of Director	Meetings Attended during the tenure of Director
1	Dr M Subramanyam	Chairman	4	4
2	Smt. Uma Sekhar	Member	4	4
3	Dr Neeraj Sinha	Member	4	4
4	Shri A Arunachalam	Member	4	4

In the absence of the Independent Directors on the Board, the Audit Committee is constituted with the Government Nominee Directors. During the year under review, there were no changes in composition of the Committee.

## 2. Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee

As on 31<sup>st</sup> March 2023, the CSR & SD Committee comprised of three Government Nominee Directors (including Chairman of the Committee) and one Functional Director as members of the Committee. Company Secretary acts as Secretary of the Committee.

The terms of reference are in compliance with the Section 135 of the Companies Act, 2013 read with Rules made thereunder and the DPE Guidelines, as amended from time to time.

During the year, the committee met three times, i.e on 06.08.2022, 22.01.2023 and 21.03.2023.

The details of the composition of the CSR & SD Committee and the attendance of members are as follows:

SI. No	Name of Director	Designation	Meetings held during tenure of Director	Meetings Attended during the tenure of Director
1	Dr Neeraj Sinha	Chairman	3	3
2	Smt. Uma Sekhar	Member	3	3
3	Dr M Subramanyam	Member	3	3
4	Shri A Arunachalam	Member	3	3

During the year under review, there were no changes in composition of the Committee.

## 3. Remuneration Committee

In accordance with the provisions of Section 178 of Companies Act 2013 and DPE Guidelines on Corporate Governance, a Remuneration committee has been constituted for deciding the annual bonus/variable pay pool and policy for its distribution across executives and non-unionized supervisors.

As on 31<sup>st</sup> March 2023, the Remuneration Committee comprised of three Government Nominee Directors. In the absence of Independent Director on the Board, Government Nominee Director is nominated as Chairperson of the Committee. Company Secretary acts as Secretary of the Committee.

The composition of the Committee was as under:

SI. No	Name of Director	Designation
1	Smt. Uma Sekhar	Chairperson
2	Dr M Subramanyam	Member
3	Dr Neeraj Sinha	Member

The terms of reference are in compliance with Section 178 of the Companies Act, 2013 read with Rules made thereunder and the DPE Guidelines, as amended from time to time.

During the year 2022-23, the Remuneration Committee has not met.

## **REMUNERATION OF DIRECTORS**

### **(i) Remuneration to Whole-time Directors:**

The details of remuneration of Whole time Directors for the year 2022-23 are given in the Annual Return.

### **(ii) Government Nominee Directors' compensation:**

The Government Directors are not paid any remuneration, sitting fees, for attending Board / committee meetings.

## **CODE OF CONDUCT**

The Code of Conduct for Board Members and Senior Management Personnel of the Company has been adopted by the Company, which is circulated to all concerned and is also hosted on the website of the Company at <https://www.nsilindia.co.in/>. The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the year ended March 31, 2023. A declaration to this effect has been appended to this report.

## **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 and her nominee.

## **GENERAL BODY MEETINGS**

The details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time	Venue	Special resolution(s)
2019-20	29.12.2020	10.30 a.m	Board Room, ISRO HQ, New BEL Road, Bengaluru	Yes
2020-21	24.12.2021	11.00 a.m	Chairman Board Room, ISRO HQ, New BEL Road, Bengaluru	Yes
2021-22	29.09.2022	10.00 a.m	Chairman Board Room, ISRO HQ, New BEL Road, Bengaluru	Yes

## **Annual General Meeting**

The 04<sup>th</sup> Annual General Meeting for the financial year 2022-23 : 25<sup>th</sup> September, 2023 at 11.00 hours at Chairman Board Room, ISRO HQ, New BEL Road, Bengaluru – 560 094



## **DISCLOSURES**

### **i. Related Party Transaction**

During the year, there is no transaction of material nature with the Directors or their relatives or the Management that had potential conflict with the interest of the Company. The related party transactions are disclosed in Note no. 34 and 40 to the Accounts.

### **ii. Non-Compliances/Strictures/Penalties during the last three years**

There were no instances of non-compliance by the Company on any matter related to any guidelines issued by the Government during the last three years and no penalties / strictures were imposed on the Company by any Statutory Authority on any matter.

### **iii. Vigil Mechanism / Whistle Blower Policy**

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the Chairperson of the Audit Committee. During the year, no person was denied access to the audit committee.

### **iv. Compliance with the mandatory requirements**

The Company has complied with all the mandatory requirements specified in DPE guidelines on Corporate Governance, excepting those non-compliances as observed in the Certificate on Corporate Governance by the Practicing Company Secretary. The reasons for non-compliance have been furnished separately as reply to the observations of Practicing Company Secretary.

### **v. Presidential Directives**

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

### **vi. 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.

### **vii. 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 2022-23.

### **viii. Administrative and office expenses**

Administrative and office expenses for the financial year 2022-23 is 0.69 % of the total expenses as compared to 1.25% of previous year

## **MEANS OF COMMUNICATIONS**

- The Company displays on its website at [www.nsilindia.co.in](http://www.nsilindia.co.in) the information relating to the Company and other relevant information including those required under the Right to Information Act and other statutes.
- Matters of interest to employees are circulated internally in the form of notices, office orders and instructions.



## **TRAINING OF BOARD MEMBERS**

In line with the requirements under the DPE Guidelines, the Company has Board approved policy on training of Directors. Directors were also being nominated for attending training programmes conducted by various institutes of repute, Government and DPE on the subjects related to function, business of the Company and Corporate Governance.

Apart from the above, a welcome letter by Chairman and Managing Director together with business profile of the Company is being sent to the newly appointed Director. The management of the Company apprises the Director about the company, sector in which the Company operates, its products, business processes, governance, internal controls, regulations and other relevant important information related to functioning of the Company.

The Board of the Company consists of Functional Directors (including CMD) and Government Nominee Directors from Ministry of External Affairs, NITI Aayog and Department of Space. The Directors has requisite knowledge on matters relating to functioning of the Company.

## **COMPLIANCE**

The Company submits quarterly Corporate Governance reports as per prescribed format to the Department of Space within 15 days from the close of quarter.

## **DPE GRADING**

The Company submits a grading report on the compliance with the Corporate Governance with Department of Space on quarterly and annual basis. As per the grading report, the Company was rated as 'Excellent' with a composite score of 95% for the year 2022-23.

**For and on behalf of Board of Directors**

**D Radhakrishnan**

Chairman and Managing Director

DIN : 08382973

Date : 18.09.2023

Place : Bengaluru

## 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 31<sup>st</sup> March, 2023 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 (AS);
  - iii. that there are no instances of significant fraud of which we have become aware

Date : 18.09.2023  
Place : Bengaluru

**D Radhakrishnan**  
Chairman and Managing Director  
DIN : 08382973



---

## DECLARATION BY CHAIRMAN & 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 2022-23.

Date : 18.09.2023

Place : Bengaluru

Sd-

**D Radhakrishnan**

Chairman and Managing Director

DIN : 08382973

## Annual Report on CSR Activities

### 1. Brief outline on CSR Policy of the Company

NSIL operates as a socially responsible corporation, ensuring its business policies and practices contribute to overall social progress, human development, and environmental preservation. Our CSR Policy is developed in accordance with the Companies Act 2013, and rules made thereunder and guidelines for CPSEs issued by the Department of Public Enterprises, Government of India.

NSIL believes that every business should have a mechanism for giving back to the society in which it operates. The company's business principles are aligned with its CSR initiatives to ensure that the surrounding society grows together with the company.

During the fiscal year 2022-23, NSIL undertook CSR projects and activities based on identified needs and available funds across various sectors, including health and nutrition. Other areas of focus included aspiration district, social justice & empowerment and skill development, sustainable development, sanitation, others.

These programs are carried out within the legal framework of the Companies Act 2013 and in compliance with DPE guidelines. For more information, you can refer to our CSR & SD policy on our website:

<https://www.nsilindia.co.in/csr>

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr Neeraj Sinha	Chairman/ Government Nominee Director	3	3
2	Smt. Uma Sekhar	Member/ Government Nominee Director	3	3
3	Dr M Subramanyam	Member/ Government Nominee Director	3	3
4	Shri A Arunachalam	Member/ Director (Technical & Strategy)	3	3

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

**Web-link:** <https://www.nsilindia.co.in/csr>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **NA**

(In Rs)

5	(a) Average net profit of the company as per sub-section (5) of section 135 :	<b>2,47,10,04,196</b>
	(b) Two percent of average net profit of the company as per sub-section (5) section 135 :	<b>4,94,20,085</b>
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years :	<b>3,21,412*</b>
	(d) Amount required to be set off for the financial year, if any:	<b>Nil</b>
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]:	<b>4,94,20,085</b>

\* Accrued Interest on CSR Unspent Account till FY 2022-23

(In Rs)

6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	<b>1,22,43,610</b>
	(b) Amount spent in Administrative Overheads:	<b>Nil</b>
	(c) Amount spent on Impact Assessment, if applicable:	<b>Nil</b>
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:	<b>1,22,43,610</b>
	(e) CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
<b>1,22,43,610</b>	<b>2,48,19,390</b>	<b>20/04/2023</b>	<b>PM CARES FUND</b>	<b>1,26,78,497<sup>#</sup></b>	<b>To be transferred</b>

<sup>#</sup> Including accrued interest (Rs 321,412) on CSR Unspent Account till FY 2022 - 23

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	<b>4,94,20,085</b>
(ii)	Total amount spent for the Financial Year	<b>1,22,43,610</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	<b>3,21,412*</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	<b>Nil</b>
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>Nil</b>

\* Accrued Interest on CSR Unspent Account till FY 2022-23





Antenatal Care of Tribal Mothers In Attappady, Kerala



Anganwadi workers, ASHA workers and Balsakhis during capacity building on early childcare issues



Legal accessibility services for Women in Shillong



“Tailoring” Skill Development Program for rural girls of villages around Nagpur, Maharashtra

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer.		
1	FY 2021-22	1,32,08,139	35,93,013	96,15,126	Nil	NA	35,93,013	NA
2	FY 2020-21	66,57,007	35,06,691	Nil	33,33,359 1,73,332	29/09/2021 24/03/2022	Nil	NA
3	FY 2019-20	-	-	-	Nil	NA	Nil	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

**During FY 2022-23, the Company has spent INR 1,22,43,610 on various projects. INR 1,26,78,497 shall be transferred to PM CARES FUND. The unspent balance of INR 2,48,19,390 is towards various ongoing projects and has been transferred to the unspent CSR account and will be spent in accordance with the CSR Rules.**

Date : 18.09.2023  
Place : Bengaluru

**D Radhakrishnan**  
Chairman and Managing Director  
DIN : 08382973

**Dr Neeraj Sinha**  
Chairman - CSR & SD  
DIN : 09415304


 BRKS

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification No : U74999KA2019GOI122175

Authorised Capital : INR 7500,00,00,000

To,  
The Members of  
NEWSPACE INDIA LIMITED  
Bangalore

We have examined all the relevant records of NEWSPACE INDIA LIMITED for the year ended 31<sup>st</sup> March 2023 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 31<sup>st</sup> March 2023 subject to the following:

- a. In One case the gap between two Board Meetings is more than 4 months
- b. Not appointed the Independent Directors
- c. Not implemented the whistle Blower Policy

**for BRKS & Associates**  
Company Secretaries

Sd/-

**(B Rajeswara Rao)**

Partner

Place: Bangalore

Date: 08.08.2023

UDIN: F009940D000698364

**BRKS & Associates**  
Company Secretaries

# First Floor, 76, Sri Sai Krupa, Phase - 2, Cascading Meadows,  
Maragondanahalli, T C Palya, K R Puram, Bangalore - 560036

**Chartered Accountants**

24, 4<sup>th</sup> Main Road,  
Malleswaram,  
Bengaluru - 560 003.  
India

Tel : +91 - 80 - 23348805  
Mob. : +91 98440 56359  
E-mail: shanbhogue\_k\_r@yahoo.com

**PAL & SHANBHOGUE**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of NewSpace India Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying Standalone Financial Statements of **NewSpace India Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its 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 thereunder, 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 Standalone 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 Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone 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.

### **Responsibilities of Management and those Charged with Governance for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 standalone 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually, or in aggregate, makes it possible that, the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements

1. 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 including the Statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (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:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented, that, to the best of its knowledge and belief no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations



under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year in compliance of the provisions of section 123 of the Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. 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

Place of signature: Bengaluru

Date: 25-06-2023

**K R Shanbhogue**  
Partner  
Membership No.: 018578  
UDIN:23018578BGUDZN2031



## Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of NewSpace India Limited)

### **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** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Pal and Shanbhogue**  
Chartered Accountants  
Firm Registration No.:002528S

Place of signature: Bengaluru  
Date: 25-06-2023

**K R Shanbhogue**  
Partner  
Membership No.: 018578  
UDIN:23018578BGUDZN2031

## Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal & Regulatory Requirement' section of our report to the Members of NewSpace India Limited of even date)

To the best of information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- (i) In respect of the company's Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and maintaining proper records showing full particulars of intangible assets;
  - (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals, wherever practicable. As informed to us, no material discrepancies have been noticed on such verification.
  - (c) The Company does not hold any immovable properties, hence title deeds in the name of the company is not applicable.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of INR 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties. Hence, reporting as per the provisions of clause (a) to (f) of Paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to explanations given to us and scrutiny of records of the Company, it has not granted any loan, investment, guarantee and security. Hence, compliances with the provisions of section 185 and 186 of the Companies Act, and reporting under clause 3(iv) of the Order are not applicable.
- (v) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public and reporting under clause 3(v) of the Order are not applicable.
- (vi) As informed to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, in respect of the activities carried on by the company. Hence, reporting under Clause 3 (vi) of the Order is not applicable.
- (vii)
  - (a) According to information and explanations given to us and on the basis of our examination of the

books of account and records of the Company, amounts deducted /accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date they become payable. Hence, reporting under clause 3(vii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, there are no dues of income tax, Goods and Service Tax, sales tax, service tax, duty of customs, duty of excise, value added tax, outstanding on account of any dispute. Hence, reporting under clause 3(vii)(b) of the Order is not applicable.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order are not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Hence reporting under clause 3(ix)(b) of the Order is not applicable.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, no funds are raised on short term basis during the year. Hence, reporting on clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not have any subsidiaries, associates and joint venture. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company neither raised any loans during the year nor have subsidiaries, joint venture or associate company, hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause 3(xi)(a) of the Order is not applicable to the Company.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report. Hence, reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) Company has not received any whistle blower complaints during the year (and up to the date of this report). Hence reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) In our opinion, and to the best of our information and according to the explanations provided by the management, the Company is not a Nidhi Company. Accordingly, the requirements of clause 3 (xii) (a) to (c) of the Order are not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the

Companies Act and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 and reporting under clause 3 (xv) of the Order are not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and based on our examination of the records, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. Hence, reporting under clause 3(xvii) of the Order is not applicable.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company, except in respect of other than ongoing CSR & SD Projects, has transferred unspent CSR & SD allocated amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Companies Act.
- (b) The Company, has transferred the remaining unspent amount of ongoing CSR & SD projects, to a special account in compliance with the provision of sub-section (6) of section 135 of the Companies Act. Further, the Company has represented that the unspent CSR amount of Rs.123.57 lakhs (not relating to ongoing projects) will be transferred to a fund specified under Schedule VII of the Companies Act, 2013 within 6 months of the expiry of this financial year (i.e before 30.09.2023)
- (xxi) The Company is a standalone Company, hence reporting under Clause 3(xxi) of the Order is not applicable.

For **Pal & Shanbhogue**

Chartered Accountants

Firm Registration Number: 002528S

**K R Shanbhogue**

Partner

Place: Bengaluru

Date: 25-06-2023

Membership No. 018578

UDIN:23018578BGUDN2031

## 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 31<sup>st</sup> March 2023.

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.	<p>The company has been using Tally software to record all its financial and accounting transactions.</p> <p>The following entries flow to Tally from outside:</p> <ol style="list-style-type: none"> <li>1. Transactions of foreign receivables and payables;</li> <li>2. Computation of Employee Benefit Expenses; and</li> <li>3. Preparation of Annual Financials</li> </ol> <p>In our opinion and to the best of our information and explanations given to us, the company has a system in place to monitor and control properly these transactions.</p>
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

### K.R. Shanbhogue

Partner

Membership No.: 018578

UDIN: 23018578BGUDZN2031

Date: 25-06-2023

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 2023**

The preparation of financial statements of New Space India Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 25.06.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of New Space India Limited for the year ended 31 March 2023 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 nothing significant has come to my knowledge which would give rise to any comment upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

A handwritten signature in black ink, appearing to read 'Sanjay Kumar Jha', is positioned below the title of the Comptroller & Auditor General of India.

**Sanjay Kumar Jha  
Director General of Audit  
Environment and Scientific Departments**

Place: New Delhi

Date: 01.09.2023

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

CIN: U74999KA2019GOI122175

(Amount INR in lakhs)

	Particulars	Note No	As at 31.03.2023	As at 31.03.2022
	<b>ASSETS:</b>			
(1)	<b>NON CURRENT ASSETS</b>			
	(a) Property, Plant and Equipment	1	4,38,482.08	4,11,855.09
	(b) Capital work in progress	2	-	33,866.09
	(c) Other Intangible assets	3A	29.65	3.24
	(d) Intangible assets under development	3B	7.55	29.93
	(e) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(iv) Other Financial Assets	4	11,973.25	15,925.68
	(f) Deferred Tax Assets(Net)		-	-
	(g) Other non-current assets	5	20.09	37.97
	<b>Total Non-current Assets</b>		<b>4,50,512.63</b>	<b>4,61,717.99</b>
(2)	<b>CURRENT ASSETS</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	6	76,382.44	82,602.63
	(iii) Cash and cash equivalents	7	11,241.28	2,946.78
	(iv) Other Bank Balances	8	3,25,256.49	1,75,938.58
	(v) Other Financial Asset	9	30,604.73	56,824.73
	(c) Other current assets	10	20,810.14	13,337.42
	<b>Total Current Assets</b>		<b>4,64,295.08</b>	<b>3,31,650.14</b>
	<b>TOTAL ASSETS</b>		<b>9,14,807.71</b>	<b>7,93,368.13</b>
	<b>EQUITY AND LIABILITIES:</b>			
(1)	<b>EQUITY</b>			
	(a) Equity Share capital	11	5,60,760.00	91,000.00
	(b) Other Equity	12	99,880.27	53,177.47
	<b>Total Equity</b>		<b>6,60,640.27</b>	<b>1,44,177.47</b>



<b>(2) LIABILITIES</b>			
<b>(A) NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	13	2,657.85	2,633.19
(ii) Trade Payables		-	-
(b) Provisions	14	15.33	8.19
(c) Deferred tax liabilities (Net)	15	4,804.42	3,088.25
(d) Other non-current liabilities		-	-
<b>Total Non-current Liabilities</b>		<b>7,477.60</b>	<b>5,729.63</b>
<b>(B) CURRENT LIABILITIES</b>			
(a) Financial Liabilities	16		
(i) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises		1.35	15.28
(b) Total outstanding dues of Creditors other than Micro and Small Enterprises		76,810.49	6,23,066.28
(ii) Other financial liabilities	17	1,51,783.09	5,167.08
(b) Other current liabilities	18	3,931.51	5,633.54
(c) Provisions	19	14,163.40	9,578.85
<b>Total Current Liabilities</b>		<b>2,46,689.84</b>	<b>6,43,461.03</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,14,807.71</b>	<b>7,93,368.13</b>

Significant accounting policies and the accompanying Note No. 1 to 40 are integral part of these financial statements.

Previous year figures have been re-arranged/regrouped wherever necessary.

As per our report of even date attached

**For and on behalf of the Board of Directors**

**For M/s Pal and Shanbhogue**

Chartered Accountants

Firm Regn No: 002528S

**K.R.Shanbhogue**

Partner

ICAI Membership No. 18578

ICAI UDIN: 23018578BGUDZN2031

**S.Shanmuga Priya**

Company Secretary

**Annamalai Arunachalam**

Director, Technical & Strategy

DIN: 09262267

**Radhakrishnan Durairaj**

Chairman and Managing Director

DIN: 08382973

Place: Bengaluru

Date: 25-06-2023

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2023**

CIN: U74999KA2019GOI122175

(Amount INR in lakhs)

	Particulars	Note No	Figures as at the end of current reporting period 31.03.2023	Figures as at the end of previous reporting period 31.03.2022
I	Revenue from operations	20	2,84,226.44	1,67,476.84
II	Other income	21	9,816.07	5,707.60
III	<b>Total Income (I +II)</b>		<b>2,94,042.51</b>	<b>1,73,184.44</b>
IV	<b>Expenses:</b>			
	(i) Cost of Revenue from operation	22	1,69,994.50	67,381.51
	(ii) Purchases of Stock-in-Trade		-	-
	(iii) Changes in inventories of stock in Trade		-	-
	(iv) Employees benefits expenses	23	280.02	298.87
	(v) Depreciation and amortisation expenses	24	59,584.14	58,002.69
	(vi) Other expenses	25	1,607.41	1,586.25
	<b>Total Expenses (IV)</b>		<b>2,31,466.07</b>	<b>1,27,269.32</b>
V	<b>Profit before exceptional items and tax (III- IV)</b>		62,576.44	45,915.12
VI	Exceptional items		-	-
VII	Profit before tax (V - VI)		62,576.44	45,915.12
VIII	<b>Tax expense:</b>			
	(i) Current tax :	26		
	a) Current Year		14,157.59	9,573.91
	b) Earlier Years		-	(1,044.37)
	(ii) Deferred tax	27	1,716.18	3,086.97
			<b>15,873.77</b>	<b>11,616.50</b>
IX	<b>Profit for the period from continuing operations (VII-VIII)</b>		<b>46,702.67</b>	<b>34,298.62</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to Profit or Loss		-	-
	A (ii) Remeasurement of defined benefit plans	36	0.12	-
	A (iii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI	B (i) Items that will be reclassified to profit or loss		-	-
	B(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other comprehensive Income/ (losses)		0.12	-
XII	<b>Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>46,702.79</b>	<b>34,298.62</b>
XIII	Earnings per equity share (for continuing operation):			
	(1) Basic / Adjusted (INR)	28	1.61	12.12
	(2) Diluted (INR)		1.61	12.12

Significant accounting policies and the accompanying Note No. 1 to 40 are integral part of these financial statements. Previous year figures have been re-arranged/regrouped wherever necessary.

As per 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**

**K.R.Shanbhogue**  
Partner  
ICAI Membership No. 18578  
ICAI UDIN: 23018578BGUDZN2031

**S.Shanmuga Priya**  
Company Secretary

**Annamalai Arunachalam**  
Director, Technical & Strategy  
DIN: 09262267

**Radhakrishnan Durairaj**  
Chairman and Managing Director  
DIN: 08382973

Place: Bengaluru  
Date: 25-06-2023

## STATEMENT OF CHANGES IN EQUITY

CIN: U74999KA2019GOI122175

### (A. Equity Share Capital

#### (1) Current reporting period

(Amount INR in lakhs)				
Balance at the beginning of the current reporting period 01.04.2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31.03.2023
91,000	-	91,000	4,69,760	5,60,760
<b>(2) Previous reporting period</b>				
Balance at the beginning of the current reporting period 01.04.2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31.03.2022
1,000	-	1,000	90,000	91,000

### B. Other Equity

#### (1) Current reporting period

Particulars	Reserves and Surplus				Equity Instrument through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income	Total equity attributable to equity shareholders of Company
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as on April 1, 2022				53,177.48				53,177.48
Changes in accounting policy or prior period errors				-				-
Restated balance at the beginning of the current reporting period				53,177.48				53,177.48
<b>Total Comprehensive Income for the current year</b>				46,702.79				46,702.79
Dividends								-
Transfer to retained earnings								-
Any other change								-
<b>Balance as at March 31, 2023</b>				99,880.27				99,880.27

## (2) Previous reporting period

Particulars	Reserves and Surplus				Retained Earnings	Equity Instrument through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income	Total equity attributable to equity shareholders of Company
	Capital Reserve	Securities Premium	General Reserve						
Balance as on April 1, 2021				18,878.86	18,878.86				18,878.86
Changes in accounting policy or prior period errors				-	-				-
Restated balance at the beginning of the current reporting period				18,878.86	18,878.86				18,878.86
<b>Total Comprehensive Income for the current year</b>				34,298.62	34,298.62				34,298.62
Dividends				-	-				-
Transfer to retained earnings									-
Any other change									
<b>Balance as at March 31, 2022</b>				53,177.48	53,177.48				53,177.48

## For and on behalf of the Board of Directors

As per our report of even date attached  
**For M/s Pal and Shanbhogue**  
 Chartered Accountants  
 Firm Regn No: 002528S

**K.R.Shanbhogue**

Partner

ICAI Membership No. 18578

ICAI UDIN: 23018578BGGUDZN2031

**S.Shanmuga Priya**

Company Secretary

**Annamalai Arunachalam**

Director, Technical & Strategy

**Radhakrishnan Durairaj**

Chairman and Managing Director

DIN: 09262267

DIN: 08382973

Place: Bengaluru

Date: 25-06-2023

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023**

CIN: U74999KA2019GOI122175

(Amount INR in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>62,576.44</b>	<b>45,915.12</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	59,584.14	58,002.69
(Profit)/Loss on sale of fixed assets	(0.03)	0.21
Interest income from bank deposit	(9,551.06)	(5,707.58)
Provision for doubtful debts	10.80	204.26
Other Comprehensive Income	0.12	-
Unrealised foreign exchange (YECT)	(74.32)	163.49
<b>Operating profit before working capital changes</b>	<b>1,12,546.09</b>	<b>98,578.19</b>
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in other non current financial assets	3,952.43	(477.90)
(Increase)/Decrease in other non current assets	17.88	65.92
(Increase)/Decrease in trade receivables	6,209.39	(12,891.35)
(Increase)/Decrease in other current financial assets	26,219.99	(53,493.28)
(Increase)/Decrease in other current assets	(7,472.72)	(9,933.14)
(Increase)/Decrease in non current Provisions	7.13	7.38
(Increase)/Decrease in non current liabilities	24.66	2,633.19
(Increase)/Decrease in trade payables	(5,46,269.72)	5,06,699.17
(Increase)/Decrease in other current financial liabilities	1,46,616.01	(651.67)
(Increase)/Decrease in other current liabilities	(1,702.03)	5,194.31
(Increase)/Decrease in current Provisions	4,584.55	8,476.19
<b>Net change in working capital</b>	<b>(3,67,812.41)</b>	<b>4,45,628.81</b>
<b>Cash generated from operations</b>	<b>(2,55,266.33)</b>	<b>5,44,207.01</b>
Less: Income taxes paid (net)	(14,157.59)	(8,529.53)
<b>Net Cash from/ (used in) Operating Activities</b>	<b>(2,69,423.92)</b>	<b>5,35,677.47</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale/ (Purchase) of Fixed Assets	(52,349.07)	(5,03,698.89)
Profit/(Loss) on Sale of fixed assets	0.03	(0.21)
Interest received on Deposits with Banks	9,551.06	5,707.58
<b>Net Cash from Investing activities</b>	<b>(42,797.98)</b>	<b>(4,97,991.53)</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	-	-
Issue of Shares	4,69,760.00	90,000.00
<b>Net Cash used in Financing Activities</b>	<b>4,69,760.00</b>	<b>90,000.00</b>
Effect of exchange rate changes on cash and cash equivalents (YEET)	74.32	(163.49)
<b>Net increase in cash and cash equivalents</b>	<b>1,57,612.42</b>	<b>1,27,522.46</b>
<b>Cash and cash equivalents at the beginning of the year (refer note 7 &amp; 8)</b>	<b>1,78,885.37</b>	<b>51,362.91</b>
<b>Cash and cash equivalents at the end of the year (refer note 7 &amp; 8)</b>	<b>3,36,497.78</b>	<b>1,78,885.37</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the IND AS-7 on Cash Flow Statements issued by the Companies (Indian Accounting Standards) Rules, 2015.

Previous year figures have been re-arranged/regrouped wherever necessary.

As per our report of even date attached

**For and on behalf of the Board of Directors**

**For M/s Pal and Shanbhogue**

Chartered Accountants

Firm Regn No: 002528S

**K.R.Shanbhogue**

Partner

ICAI Membership No. 18578

ICAI UDIN: 23018578BGUDZN2031

**S.Shanmuga Priya**

Company Secretary

**Annamalai Arunachalam**

Director, Technical & Strategy

DIN: 09262267

**Radhakrishnan Durairaj**

Chairman and Managing Director

DIN: 08382973

Place: Bengaluru

Date: 25-06-2023

## NOTES TO FINANCIAL STATEMENTS

### 1. Company Overview

NewSpace India Limited (“NSIL” or “the Company”) is a wholly owned Government of India (GOI) Company under the administrative control of Department of Space (DOS). NSIL is engaged in commercially exploiting the products and services emanating from the Indian Space Programme and serve the domestic and global customers, and enabling the Indian Industries to scale up high-technology manufacturing base for space programme through technology transfer mechanisms. NSIL acts as the commercial arm of Indian Space Research Organisation (ISRO).

The business activities of NSIL include:

- Owning satellites for providing space-based services
- Building satellites and launching them as per demand
- Providing launch services for satellite belonging to Customers
- Building launch vehicles through Indian Industry and launch as per satellite customer requirements
- Space based services on commercial basis
- Mission support services to national and international customers and
- Technology Transfer to Indian Industry.

The corporate office of the company is at ISRO HQ Campus, New BEL Road, Bangalore – 560094.

### 2. Basis of preparation

#### A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost on accrual basis except for certain financial instruments which are measured at fair values, as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the Standalone Financial Statements.

The financial statements correspond to the classification provisions contained in Ind AS 1 “Presentation of Financial Statements”. For clarity, various items are aggregated in the Statements of Profit and Loss and Balance Sheet. These items are disaggregated separately in the notes to the financial statements, where ever applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard initially adopted or a revision to an existing accounting standard required a change in the Accounting policy hitherto in use.

#### B. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs.

#### C. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled or intend to sell or consume in the Company's normal operating cycle;
- ii. The asset is intended for sale or consumption.
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments does not affect its classification.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

#### **D. Use of estimates and judgements**

The preparation of the financial statements in conformity with the recognition and the measurement principles of Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and 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.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in the following notes:

##### **(i) 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.

##### **(ii) Income taxes:**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

##### **(iii) Deferred taxes:**

Deferred tax are recognised for deductible and taxable temporary differences arising between the tax bases





of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

**(iv) Defined benefit plans and compensated absences**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the Projected Unit Credit Method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(v) Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

**E. Measurement of fair values**

Some of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**F. 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 and cash equivalents.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### A. Property, Plant and Equipment

##### (i) Recognition and 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, any directly attributable cost of bringing the item to its working condition for its intended use, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates.

The cost of the Satellites transferred by Department of Space (DOS) is accounted as per the details provided by DOS authorising the transfer.

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.

##### (ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4 Note on property, plant and equipment).

##### (iii) 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.

##### (iv) Depreciation

Depreciation has been charged off over their estimated useful lives using the Straight Line Method as per Schedule II to the Companies Act 2013 or the rates determined by the Management as per estimated useful life of the Assets whichever is higher.

Assets costs less than INR 0.05 Lakh individually have been depreciated fully in the year of purchase. The residual value of the assets costs of INR 0.05 Lakh or above is considered as 1% of the original cost of the assets. The residual value of 1% is considered to depreciate the assets to the maximum extent. The useful lives of assets as determined by the company is as under:

Nature of Asset	Useful life
Buildings (Electrical Systems)	10 Years
Buildings (Temporary Structures)	3 years
Buildings (Interiors)	3 Years
Furniture and Fixtures	10 Years
Computers and Peripherals	3 Years
Office Equipment	5 Years
Communication Systems	3 Years
Motor Vehicles	8 Years



Useful life of satellites transferred by DOS to the Company, is determined by the DOS and intimated to the Company while transferring the satellite. There is no residual value for the satellites.

## **B. Intangible Fixed Assets**

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortized over their respective individual estimated useful lives on straight line basis, from the date 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 industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. 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 of the intangible assets are reviewed annually and where there is an indication of impairment, the asset is impaired.

## **C. Inventories**

Inventories are stock-in-trade, raw material, 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 and includes expenditure incurred in acquiring them and other costs incurred in bringing them to their present location and condition.

## **D. Revenue**

### **(i) Sales**

Revenue, net of all indirect taxes is recognized at the time of deliverables are 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 in accordance with the contract with the customer.

#### **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.

**d) Foreign Exchange Fluctuation**

Net gain/ (loss) in Foreign Exchange for the reporting period are netted.

**E. Foreign currency transactions****(i) Initial Recognition**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rates at the date of the transaction.

**(ii) Subsequent Measurement**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are not retranslated. Exchange differences are recognised in the Statement of Profit and Loss.

**F. Financial Instruments****(i) Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. The transaction costs that are directly attributable to its acquisition or issue are immediately accounted at fair value through Statement of Profit and Loss account.

**(ii) Classification and subsequent measurement****a) Financial assets:**

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- FVTPL (Fair value through Profit or Loss)
- FVOCI (Fair value through Other Comprehensive Income)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

**b) Financial liabilities:**

Financial liabilities are as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in Statement of Profit and Loss.

**(iii) De-recognition****(a) Financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

**(b) Financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

**G. Impairment****(i) Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise
- it is probable that the borrower will enter bankruptcy or other financial reorganisation: or
- the disappearance of an active market for a security because of financial difficulties

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit.

Dues from Central / State Governments, Central / State Government Departments, Central / State Autonomous Bodies, Public Sector Undertakings for which provision / loss allowances are measured on case to case basis and are not considered for expected credit loss.

**(ii) Impairment of non-financial assets**

The Company's non-financial assets, other than other tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

**H. Retirement and other employee Benefits****(i) Gratuity**

The Company provides for gratuity, a defined benefit plan covering all employees on roll of NSIL. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The amount of provision is determined based upon actuarial valuations as at the year end. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

**(ii) National Pension System (Corporate Model Scheme)**

The employees on roll of NSIL are enrolled in the National Pension System (Corporate Model Scheme). The Company contributes 14% of Basic pay plus DA to the National Pension System (Corporate Model Scheme) managed by Pension Fund Regulatory & Development Authority (PFRDA) which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the Statement of Profit and Loss.

**(iii) Compensated absences**

Long Term and Short-term compensated absences, are another Employment Benefit plans for employees on NSIL rolls, accounted based on actuarial valuation carried out by an Independent Actuary at the Balance Sheet date. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss and are not deferred.

**I. Income Taxes**

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that an item recognised directly in equity or in other comprehensive income.

**(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. 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.

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes 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.

**J. Earnings Per Share**

Basic earnings per share are calculated by dividing the net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue (if any).

For the purpose of calculating diluted earnings per share, the net Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**K. Provisions and contingencies:**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable than 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.



When 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.

#### **L. Cash and cash equivalents**

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

#### **M. Adjustments pertaining to earlier years**

Income / expenditure relating to earlier years which does not exceed INR 300 lakhs or 0.5% of turnover whichever is higher in each transaction are treated as income/ expenditure of current year.

#### **N. Government Building**

The rent for the building provided by DOS shall be accounted based on the valuation of market rent by the Independent Chartered Engineer until actual rent demand received from DOS.

#### **O. Leases**

In accordance with Ind-AS 116, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The following policies apply subsequent to the date of initial application, 1 April 2021:

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and



- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

## NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2023

(Amount INR in Lakhs)

Note No	Particulars	Figures as at the end of current reporting period 31.03.2023	Figures as at the end of previous reporting period 31.03.2022
<b>1</b>	<b>Property, Plant and Equipment :</b>		
	(a) Building	1.98	3.94
	(b) Furniture and fixtures	18.83	21.23
	(c) Office Equipment	7.99	10.92
	(d) Computers and Peripherals	91.59	17.61
	(e) Communication Systems	0.86	1.56
	(f) Motor Car	18.22	20.96
	(g) In-Orbit Satellites - Trf from DoS	3,53,797.74	4,11,778.87
	(h) In-Orbit Satellites - NSIL	84,544.86	-
		<b>4,38,482.08</b>	<b>4,11,855.09</b>
	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.	<b>Refer annexure to this Note</b>	
<b>2</b>	<b>Capital work in progress</b>		
	(a) Computers and Peripherals	-	85.79
	(b) GSAT 24 Satellite	-	33,780.30
		-	<b>33,866.09</b>
<b>3A</b>	<b>Other Intangible Assets:</b>		
	(a) Computer software		
	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 amortization and impairment losses or reversals are disclosed separately.	<b>29.65</b>	<b>3.24</b>
		<b>Refer annexure to this Note</b>	
<b>3B</b>	<b>Intangible assets under development</b>		
	(a) Software		
	<b>Intangible Assets under Development Ageing Schedule-As per Annexure</b>	<b>7.55</b>	<b>29.93</b>
		<b>Refer annexure to this Note</b>	
<b>4</b>	<b>Other Financial assets</b>		
	(i) Deposits held as margin money against guarantee issued	9,854.65	13,796.38
	(ii) Bank deposit with balance maturity exceeding 12 months	-	10.70
	(iii) Advance for Goods/ Service	2,118.60	2,118.60
		<b>11,973.25</b>	<b>15,925.68</b>

<b>5</b>	<b>Other non-current assets</b>		
	(i) Prepaid Expenses	20.09	37.97
		<b>20.09</b>	<b>37.97</b>
<b>6</b>	<b>Trade Receivables</b>		
	(i) Trade Receivables Considered Good - Secured	1,964.50	9,243.79
	Less: Allowance for Bad and doubtful debts	-	-
		1,964.50	9,243.79
	(ii) Trade Receivable Considered Good - UnSecured	74,417.94	93,010.94
	Less: Allowance for Bad and doubtful debts	-	-
		74,417.94	93,010.94
	(iii) Trade Receivables which have significant increase in Credit Risk	215.06	204.26
	Less: Allowance for Bad and doubtful debts	215.06	204.26
		-	-
	(iv) Trade Receivables – credit impaired	-	-
	Less: Allowance for Bad and doubtful debts	-	-
		-	-
	<b>Trade Receivables Ageing Schedule- As per Annexure</b>	<b>76,382.44</b>	<b>82,602.63</b>
<b>7</b>	<b>Cash and Cash Equivalents</b>		
	(i) Balances with banks	11,241.19	2,946.62
	(ii) Imprest Cash with Employee	0.09	0.16
		<b>11,241.28</b>	<b>2,946.78</b>
<b>8</b>	<b>Other Bank Balances</b>		
	(i) Bank deposit with balance maturity less than or equal to 12 months	3,25,215.52	1,75,937.49
	(ii) Balances with banks earmarked for CSR activities	40.97	1.09
		<b>3,25,256.49</b>	<b>1,75,938.58</b>
<b>9</b>	<b>Other Financial Assets</b>		
	(i) Deposits held as margin money against guarantee issued	9,921.52	8,942.58
	(ii) Accrued interest on deposits with banks	4,247.66	4,441.08
	(iii) Accrued Income	-	43,264.21
	(iv) Advance for Goods or Services	16,435.56	176.86
		<b>30,604.73</b>	<b>56,824.73</b>
<b>10</b>	<b>Other Current Assets</b>		
	(i) Advance Income Tax & TDS	17,128.22	12,423.34
	(ii) Income Tax Refund FY 2020-21	826.02	794.39
	(iii) Income Tax Refund FY 2021-22	2,812.97	-
	(iv) Prepaid expenses	42.69	119.64
	(v) Other Assets	0.23	0.06
		<b>20,810.14</b>	<b>13,337.42</b>

<b>11 Equity Share Capital:</b>	(a) Authorised:			
	(i) Number of Shares	Nos	7,50,00,00,000	1,00,00,00,000
	(ii) Amount of Shares (INR)		7,50,000.00	1,00,000.00
	(b) Issued, subscribed and fully paid up for cash:			
	(i) Number of Shares	Nos	5,60,76,00,000	91,00,00,000
	(ii) Amount of Shares (INR )		5,60,760.00	91,000.00
	(c) Par value per share		10.00	10.00
	(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the period			
	(i) Number of shares outstanding at the beginning of the reporting period	Nos	91,00,00,000	1,00,00,000
	(ii) Less: Number of shares bought back during the year		-	-
(iii) Add: Number of shares issued during the year	Nos	4,69,76,00,000	90,00,00,000	
(iv) Number of shares outstanding at the end of the reporting period	Nos	5,60,76,00,000	91,00,00,000	
(e)	Rights, preference and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital: 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. Unless, otherwise exempted or modified by Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, Government of India, a minimum of 30% of post tax profit or 5% of networth, whichever is higher shall be distributed to Government of India as Dividend as per DIPAM Guidelines and the repayment of capital is as per the provision of the Companies Act, 2013. Further, Company has sought exemption from payment of Dividend for the FY 2021-22 and also proposing for seeking exemption from payment of Dividend for FY 2022-23.			
(f)	Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held: 100% of entire 5,60,76,00,000 (Previous Year 91,00,00,000) numbers of paid up Equity Shares of INR 10 each are held by the Central Government (Government of India) through the President of India and its Nominee			
(g)	There are no shares reserved for issue under options.			
(h)	There are no securities convertible into equity shares as on the Balance sheet date.			
(i)	Information for the period of five years immediately preceding the date at which the Balance Sheet is prepared -----As per Annexure-----			

The details of shares held by promoters as at March 31, 2023 are as follows:

SI No.	Promoter Name	No. of Shares	% of Total Shares	% change during the year
1	President of India	5,60,76,00,000	100%	The change in percentage of holding is NIL
<b>12</b>	<b>Other Equity</b> As per attached Statement of Changes in Equity (3)			
				99,880.27      53,177.48
	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
	Balance at the beginning of the reporting period			53,177.47      18,878.85
	Add: Total Comprehensive Income for the year			46,702.79      34,298.62
	Less: Dividend paid (As per attached Statement of Changes in Equity)			-      -
	Balance at the end of the reporting period			<b>99,880.27      53,177.47</b>
<b>13</b>	<b>Other financial liabilities</b> Advances from customers			
				2,657.85      2,633.19
				<b>2,657.85      2,633.19</b>
<b>14</b>	<b>Provisions</b> <b>(a) Provision for employee benefits</b>			
	for Leave encashment			10.86      5.87
	for Gratuity			4.47      2.33
				<b>15.33      8.19</b>
<b>15</b>	<b>Deferred Tax Liabilities (net)</b> Deferred Tax Liability			
				<b>4,804.42      3,088.25</b>
<b>16</b>	<b>Trade payables</b> (i) Dues to Micro, Small or Medium Enterprises (MSME) (ii) Dues to creditors other than MSME ***			
				1.35      15.28
				76,810.49      6,23,066.28
				<b>76,811.84      6,23,081.56</b>
	<b>Additional Information:</b> 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:			
	<b>Particulars</b>			
	1 Principal Amount due and remaining unpaid			1.35      15.28
	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		-	-
<b>*** Dues to Creditors other than MSME for FY 2021-22 includes INR 4,69,760 Lakh towards consideration payable to DOS in the form of Equity in respect of 10 satellites transferred to NSIL and the equity for the same has been issued during the FY 2022-23</b>				
<b>17</b>	<b>Other financial liabilities</b>			
	(i) Creditors for expenses		29.05	5.34
	(ii) Advances for other than SSC		1,43,683.96	2,032.62
	(iii) Caution Deposit		1,419.79	1,372.22
	(iv) ICRD [INSAT Capacity Reservation Deposit]		1,250.90	1,226.05
	(v) Advance for SSC		449.68	-
	(vi) Liability for Deferred income		889.06	117.20
	(vii) Other liabilities		24.50	58.02
	(viii) Revenue in Advance		4,036.14	355.62
			<b>1,51,783.09</b>	<b>5,167.08</b>
<b>18</b>	<b>Other current liabilities</b>			
	(i) Statutory Liabilities		3,931.47	5,633.54
	(i) Other liabilities		0.04	-
			<b>3,931.51</b>	<b>5,633.54</b>
<b>19</b>	<b>Short term provisions</b>			
	<b>(a) Provision for employee benefits</b>			
	for Leave encashment		1.73	0.86
	for Gratuity		0.01	0.00
	<b>(b) Others</b>			
	Provision for Income Tax		14,161.67	9,577.98
				-
			<b>14,163.40</b>	<b>9,578.85</b>

## ANNEXURE TO NOTE NO.1,2,3A AND 3B

## PROPERTY, PLANT &amp; EQUIPMENT

(Amount INR in lakhs)  
FY 2022-23

Particulars	GROSS BLOCK				DEPRECIATION				Net Carrying Value as at 31.03.2023				
	Gross Amount 01.04.2022	Additions	Disposal / Discarded / Adjustment	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2023	Accumulated Dep. 01.04.2022	For the Period		Deletion	Adjustments	Total 31.03.2023	
<b>BUILDING</b>													
BUILDING TEMPORARY STRUCTURE	11.10	-	-	-	11.10	8.97	2.02	-	-	-	10.99	0.11	2.13
BUILDING ELECTRICAL SYSTEM	1.92	0.04	-	-	1.96	0.23	0.23	-	-	-	0.46	1.50	1.69
BUILDING INTERIORS	0.93	0.36	-	-	1.29	0.81	0.11	-	-	-	0.92	0.37	0.12
FURNITURE & FIXTURES	27.14	0.29	-	-	27.44	5.91	2.69	-	-	-	8.61	18.83	21.23
COMPUTER & PERIPHERALS	39.62	102.14	-	-	141.76	22.01	28.15	-	-	-	50.16	91.59	17.61
OFFICE EQUIPMENT	16.75	0.43	-	-	17.18	5.83	3.36	-	-	-	9.18	7.99	10.92
COMMUNICATION SYSTEMS	2.37	-	0.21	-	2.16	0.81	0.56	0.07	-	-	1.30	0.86	1.56
MOTOR VEHICLES	22.12	-	-	-	22.12	1.16	2.74	-	-	-	3.90	18.22	20.96
IN ORBIT SATELLITES - TRF from DoS	4,69,760.00	-	-	-	4,69,760.00	57,981.13	57,981.13	-	-	-	1,15,962.26	3,53,797.74	4,11,778.87
IN ORBIT SATELLITES- NSIL	-	86,101.77	-	-	86,101.77	-	1,556.91	-	-	-	1,556.91	84,544.86	-
<b>TOTAL</b>	<b>4,69,881.97</b>	<b>86,205.02</b>	<b>0.21</b>	<b>-</b>	<b>5,56,086.78</b>	<b>58,026.87</b>	<b>59,577.89</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>1,17,604.69</b>	<b>4,38,482.08</b>	<b>4,11,855.09</b>

## PROPERTY, PLANT &amp; EQUIPMENT

(Amount INR in lakhs)  
FY 2021-22

Particulars	GROSS BLOCK				DEPRECIATION				Net Carrying Value as at 31.03.2022				
	Gross Amount 01.04.2021	Additions	Deletion	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2022	Accumulated Dep. 01.04.2021	For the Period		Deletion	Adjustments	Total 31.03.2022	
<b>BUILDING</b>													
BUILDING TEMPORARY STRUCTURE	11.10	-	-	-	11.10	5.31	3.66	-	-	-	8.97	2.13	5.79
BUILDING ELECTRICAL SYSTEM	1.92	-	-	-	1.92	0.04	0.19	-	-	-	0.23	1.69	1.88
BUILDING INTERIORS	0.93	-	-	-	0.93	0.51	0.31	-	-	-	0.81	0.12	0.42
FURNITURE & FIXTURES	24.55	2.59	-	-	27.14	3.41	2.50	-	-	-	5.91	21.23	21.14



COMPUTER & PERIPHERALS	26.15	15.73	2.26	-	39.62	12.79	9.99	0.76	-	22.01	17.61	13.36
OFFICE EQUIPMENT	10.10	6.65	-	-	16.75	3.20	2.62	-	-	5.83	10.92	6.89
COMMUNICATION SYSTEMS	1.46	1.55	0.64	-	2.37	0.68	0.43	0.30	-	0.81	1.56	0.78
MOTOR VEHICLES	-	22.12	-	-	22.12	-	1.16	-	-	1.16	20.96	-
IN ORBIT SATELLITES - TRF from DoS	-	4,69,760.00	-	-	4,69,760.00	-	57,981.13	-	-	57,981.13	4,11,778.87	-
<b>TOTAL</b>	<b>76.21</b>	<b>4,69,808.66</b>	<b>2.90</b>	<b>-</b>	<b>4,69,881.97</b>	<b>25.94</b>	<b>59,002.00</b>	<b>1.07</b>	<b>-</b>	<b>58,026.87</b>	<b>4,11,855.09</b>	<b>50.27</b>

Note:

- 1) There are no acquisitions through business combinations and impairment losses/reversals
- 2) 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.

### INTANGIBLE ASSETS

(Amount INR in lakhs)  
FY 2022-23

Particulars	GROSS BLOCK				AMORTIZATION				Net Carrying Value as at 31.03.2023				
	Gross Amount 01.04.2022	Additions	Deletion	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2023	Accumulated Amor 01.04.2022	For The Period		Deletion	Adjustments	Total 31.03.2023	
SOFTWARE	3.94	32.66	-	-	-	36.60	0.70	6.24	-	-	6.95	29.65	3.24
<b>TOTAL</b>	<b>3.94</b>	<b>32.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.60</b>	<b>0.70</b>	<b>6.24</b>	<b>-</b>	<b>-</b>	<b>6.95</b>	<b>29.65</b>	<b>3.24</b>

### INTANGIBLE ASSETS

(Amount INR in lakhs)  
FY 2021-22

Particulars	GROSS BLOCK				AMORTIZATION				Net Carrying Value as at 31.03.2021				
	Gross Amount 01.04.2021	Additions	Deletion	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2022	Accumulated Amor 01.04.2021	For The Period		Deletion	Adjustments	Total 31.03.2022	
SOFTWARE	0.34	3.60	-	-	-	3.94	0.01	0.69	-	-	0.70	3.24	0.33
<b>TOTAL</b>	<b>0.34</b>	<b>3.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.94</b>	<b>0.01</b>	<b>0.69</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>3.24</b>	<b>0.33</b>

CAPITAL WORK IN PROGRESS												(Amount INR in lakhs) FY 2022-23	
Particulars	GROSS BLOCK						AMORTIZATION					Net Carrying Value as at 31.03.2022	
	Gross Amount 01.04.2022	Additions	Capitalization During The Year	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2023	Accumulated Amor 01.04.2022	For The Period	Deletion	Adjustments	Total 31.03.2023		
COMPUTER & PERIPHERALS	85.79	-	85.79	-	-	-	-	-	-	-	-	85.79	
GSAT 24	33,780.30	52,321.48	86,101.77	-	-	-	-	-	-	-	-	33,780.30	
<b>TOTAL</b>	<b>33,866.09</b>	<b>52,321.48</b>	<b>86,187.56</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,866.09</b>	

CAPITAL WORK IN PROGRESS												(Amount INR in lakhs) FY 2021-22	
Particulars	GROSS BLOCK						AMORTIZATION					Net Carrying Value as at 31.03.2021	
	Gross Amount 01.04.2021	Additions	Capitalization During The Year	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2022	Accumulated Amor 01.04.2021	For The Period	Deletion	Adjustments	Total 31.03.2022		
COMPUTER & PERIPHERALS	-	85.79	-	-	-	85.79	-	-	-	-	-	85.79	
GSAT 24	-	33,780.30	-	-	-	33,780.30	-	-	-	-	-	33,780.30	
<b>TOTAL</b>	<b>-</b>	<b>33,866.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,866.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,866.09</b>	

**INTANGIBLE ASSETS UNDER DEVELOPMENT** (Amount INR in lakhs)  
**FY 2022-23**

Particulars	GROSS BLOCK					AMORTIZATION					Net Carrying Value as at 31.03.2023		
	Gross Amount 01.04.2022	Additions	Capitalization During The Year	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2023	Accumulated Amor 01.04.2022	For The Period	Deletion	Adjustments		Total 31.03.2023	
SOFTWARE	29.93	-	22.38	-	-	7.55	-	-	-	-	-	7.55	29.93
<b>TOTAL</b>	<b>29.93</b>	<b>-</b>	<b>22.38</b>	<b>-</b>	<b>-</b>	<b>7.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.55</b>	<b>29.93</b>

**INTANGIBLE ASSETS UNDER DEVELOPMENT** (Amount INR in lakhs)  
**FY 2021-22**

Particulars	GROSS BLOCK					AMORTIZATION					Net Carrying Value as at 31.03.2022		
	Gross Amount 01.04.2021	Additions	Deletion	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	Adjustments	Total 31.03.2022	Accumulated Amor 01.04.2021	For The Period	Deletion	Adjustments		Total 31.03.2022	
SOFTWARE	7.55	22.38	-	-	-	29.93	-	-	-	-	-	29.93	7.55
<b>TOTAL</b>	<b>7.55</b>	<b>22.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.93</b>	<b>7.55</b>

### ANNEXURE TO SCHEDULE 3B-INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

(Amount INR in Lakhs)

Intangible Assets under development	Amount in CWIP for a period of				Total as on 31.03.2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress-OCP Transponder	-	-	7.55	-	7.55
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development	Amount in CWIP for a period of				Total as on 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22.38	-	7.55	-	29.93
Projects temporarily suspended	-	-	-	-	-

### ANNEXURE TO SCHEDULE 6 - TRADE RECEIVABLES AGEING SCHEDULE

(Amount INR in Lakhs)

Particulars	Outstanding for following periods from date of payment					Total as on 31.03.2023
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	28,598.44	46,812.91	129.99	626.05	-	76,167.38
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	215.06	215.06
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	28,598.44	46,812.91	129.99	626.05	215.06	76,382.44

(Amount INR in Lakhs)

Particulars	Outstanding for following periods from date of payment					Total as on 31.03.2022
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	77,576.36	3,308.16	1,718.11	-	-	82,602.63
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	1.08	203.18	-	204.26
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	77,576.36	3,308.16	1,719.18	203.18	-	82,806.89

## ANNEXURE TO SCHEDULE 16 TRADE PAYABLES AGEING SCHEDULE

(Amount INR in Lakhs)

Particulars	Outstanding for following periods from date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2023
(i) Total outstanding dues of MSME	1.32	0.03	0.00	0.00	-	1.35
(ii) Total outstanding dues of Others	71,464.35	5,195.47	2.18	-	148.49	76,810.49
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>71,465.66</b>	<b>5,195.50</b>	<b>2.18</b>	<b>0.00</b>	<b>148.49</b>	<b>76,811.84</b>

(Amount INR in Lakhs)

Particulars	Outstanding for following periods from date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2022
(i) Total outstanding dues of MSME	15.21	0.03	-	0.05	-	15.28
(ii) Total outstanding dues of Others	5,29,887.20	751.63	92,427.44	-	-	6,23,066.28
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>5,29,902.41</b>	<b>751.66</b>	<b>92,427.44</b>	<b>0.05</b>	<b>-</b>	<b>6,23,081.56</b>

## ANNEXURE TO NOTE 12

Information for the period of four years immediately preceding the date at which the Balance Sheet is prepared

(Amount INR in Lakhs)

Particulars		Figures as at the end of current reporting period ended 31.03.2023	Figures as at the end of previous reporting period ended 31.03.2022	Figures as at the end of previous reporting period ended 31.03.2021	Figures as at the end of previous reporting period ended 31.03.2020
(i)	Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	Nil	Nil	Nil	Nil
(ii)	Aggregate number and class of shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil
(iii)	Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil

The Company was incorporated on 06/03/2019. The first lot of share allotted in 2019-20 only. Accordingly, Annexure to Note-12 prepared for preceding four years i.e. from 2019-20 onwards.

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31.03.2023**

Amount INR in lakhs

Note No	Particulars	Figures as at the end of current reporting period 31.03.2023	Figures as at the end of previous reporting period 31.03.2022
<b>20</b>	<b>Revenue from Operations:</b>		
	(a) <b>Sale of products:</b>		
	(i) Exports	23.70	-
	(ii) Domestic	113.80	73.66
	<b>Total (A)</b>	<b>137.50</b>	<b>73.66</b>
	(b) <b>Sale of services:</b>		
	<b>(i) Exports</b>		
	Launch Service	1,16,240.23	18,519.89
	Mission Support Services	155.16	115.46
	Optional Services for Launch Support	108.38	-
	<b>(ii) Domestic</b>		
	Forward Contracts SSC	26,398.74	24,801.20
	Less: DOS Revenue Share	(23,758.86)	(22,321.08)
		2,639.88	2,480.12
	GSAT Satellite SSC (Satellites transferred from DOS)	91,069.12	93,825.42
	Back to Back SSC	73,377.56	52,431.85
	Launch Service IR	372.93	-
	Gateway Infrastructure & Operations Charges	(0.48)	0.48
	Less: DOS Revenue Share	0.43	(0.43)
		(0.05)	0.05
Technology Transfer-Domestic	125.72	30.20	
Mission Support Services - Domestic	-	0.18	
<b>Total (B)</b>	<b>2,84,088.94</b>	<b>1,67,403.18</b>	
<b>Total (A) + (B)</b>	<b>2,84,226.44</b>	<b>1,67,476.84</b>	
<b>21</b>	<b>Other Income:</b>		
	(a) Interest Income		
	(i) On Deposits with Banks	9,551.06	5,707.58
	(ii) On SSC & B2B	91.55	-
	(iii) Interest Others	171.93	-
	(b) Net gain on foreign currency transaction and translation		-
	(c) Profit on sale of asset	0.03	0.02
	(d) Miscellaneous Income	1.50	0.00
	<b>9,816.07</b>	<b>5,707.60</b>	

<b>22</b>	<b>Cost of Revenue from operation</b>		
	<b>(a) Cost of Products</b>		
	(i) Exports	-	-
	(ii) Domestic	96.74	63.94
	<b>Total (A)</b>	<b>96.74</b>	<b>63.94</b>
	<b>(b) Cost of Services</b>		
	<b>(i) Exports</b>		
	Launch Services	97,197.07	13,238.35
	Optional Services for Launch Support	95.87	-
	Mission Support Services	64.08	58.54
	<b>(ii) Domestic</b>		
	Back to Back SSC	67,337.08	49,191.10
	Mission support services	-	0.13
	Cost of Technology Transfer	104.64	26.26
	Launch Services	299.43	-
	WPC License Charges	1.60	5.20
	Cost of Satellite Operation	4,798.00	4,798.00
	<b>Total (B)</b>	<b>1,69,897.76</b>	<b>67,317.56</b>
	<b>Total (A) + (B)</b>	<b>1,69,994.50</b>	<b>67,381.51</b>
<b>23</b>	<b>Employees benefits expenses</b>		
	Employee Benefit Expenses - ISRO	153.63	181.47
	Employee Benefit Expenses - NSIL		
	Salaries & Allowances	103.00	92.85
	Medical	3.74	5.34
	Staff Welfare and facilities	1.56	2.02
	Leave Travel concession	-	-
	Leave Encashment paid	0.12	-
	Leave Encashment provision	5.85	5.80
	Gratuity Provision	2.27	2.33
	Contribution to NPS	9.84	9.06
		<b>280.02</b>	<b>298.87</b>
<b>24</b>	<b>Depreciation and amortization expenses</b>		
	Depreciation on Property, plant and equipment	59,577.89	58,002.00
	Amortization on Intangible assets	6.24	0.69
		<b>59,584.14</b>	<b>58,002.69</b>
<b>25</b>	<b>Other Expenses</b>		
	<b>Administrative Expenses</b>		
	Bank Guarantee and LC charges	110.16	138.26
	Bank Charges	12.02	6.21
	Provision for Doubtful Debts	10.80	204.26

	Communication Expenses	19.85	7.78
	Consultancy and Professional fees	172.10	94.06
	Corporate Social Responsibility Activities Expenditure (Details as per annexure)	494.20	231.25
	Payment to Auditors:		
	Towards Statutory Audit	1.65	1.75
	Towards Income Tax Audit	0.30	0.20
	Towards Certification Charges	0.05	0.05
	Establishment Expenses	36.97	20.59
	Water Charges	-	-
	Insurance Premium	5.45	0.46
	Miscellaneous Expenses	0.55	6.89
	Loss on Sale of Fixed Assets	-	0.23
	Net loss on foreign currency transaction and translation	250.86	476.39
	Office expenses	20.16	6.51
	Office Maintenance Expenses	16.98	5.61
	Security Service Expenses	15.62	14.88
	Printing and Stationery	9.29	9.36
	Bid Management Expenses	2.50	2.50
	Vehicle Maintenance Charges	1.40	-
	Rates and Taxes	77.85	229.01
	Rent of Building	49.20	49.20
	Recruitment Charges	9.90	-
	Seminar, Meeting and Event Expenses	138.62	24.61
	Interest on IT TDS	0.61	9.47
	Interest on GST	21.64	0.01
	Training Fee	0.46	0.18
	Travelling Expenses:		
	Inland	71.82	20.61
	Foreign	19.10	3.98
	Website maintenance	9.33	8.92
	<b>Selling Expenses</b>		
	Advertisement & Publicity	8.07	10.78
	Business Promotion	19.92	2.27
		<b>1,607.41</b>	<b>1,586.25</b>
<b>26</b>	<b>Income Tax-Current Tax</b>		
	Current Year	14,157.59	9,573.91
	Earlier Year	-	(1,044.37)
		<b>14,157.59</b>	<b>8,529.53</b>
<b>27</b>	<b>Deferred Tax</b>		
	Deferred Tax originating during the year (Savings)	1,716.18	3,086.97
		<b>1,716.18</b>	<b>3,086.97</b>



## NOTES TO FINANCIAL STATEMENTS

### 26. Tax expense

(Amount INR in lakhs)

#### a) Amount recognised in statement of profit and loss

Particulars	For Year ended 31 March 2023	For Year ended 31 March 2022
Current tax expense	14,157.59	8,529.53
Deferred Tax Expense (Income)	1,716.18	3,086.97
<b>Net tax expense</b>	<b>15,873.77</b>	<b>11,616.50</b>

#### b) Amount recognised in other comprehensive income

(Amount INR in lakhs)

Particulars	For Year ended 31 March 2023	For Year ended 31 March 2022
Re-measurement (losses) / gains on post employment defined benefit plans	0.12	-
Tax Effect of above Item	-	-
Expenditure (Net of Income Tax)	0.12	-

#### c) Reconciliation of the income tax provision

(Amount INR in lakhs)

Particulars	For Year ended 31 March 2023		For Year ended 31 March 2022	
	Amount	Rate	Amount	Rate
Profit/(Loss) before tax from continuing operation	62,576.44	25.168%	45,915.12	25.168%
Expected Income Tax Expense	-	15,749.24	-	11,555.92
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense	-	-	-	-
Non Deductible expense	-	-	-	-
CSR Expenditure	494.20	124.38	231.25	58.20
Interest on TDS	0.61	0.15	9.47	2.38
Effect of Adjustments (Net)	494.81	124.53	240.72	60.58
<b>Total income tax expense for the year</b>	<b>-</b>	<b>15,873.77</b>	<b>-</b>	<b>11,616.50</b>
<b>Effective Tax Rate</b>	<b>-</b>	<b>25.37%</b>	<b>-</b>	<b>25.30%</b>

#### d) Recognised Deferred tax assets and liabilities

(Amount INR in lakhs)

Particulars	Deferred tax(assets)	Deferred tax liabilities	Net deferred tax (asset) liabilities
	31 March 2023	31 March 2023	31 March 2023
Property Plant and Equipment (including intangible assets)	-	1,720.94	1,720.94
Provision for doubtful debts	(2.72)	-	(2.72)
Provisions-employee benefits	(2.04)	-	(2.04)
<b>Net deferred tax (asset) liabilities</b>	<b>(4.76)</b>	<b>1,720.94</b>	<b>1,716.18</b>

(Amount INR in lakhs)

Particulars	Deferred tax(asset)	Deferred tax liabilities	Net deferred tax (asset) liabilities
	31 March 2022	31 March 2022	31 March 2022
Property Plant and Equipment (including intangible assets)	-	3,140.65	3,140.65
Provision for doubtful debts	(51.41)	-	(51.41)
Provisions-employee benefits	(2.28)	-	(2.28)
<b>Net deferred tax (asset) liabilities</b>	<b>(53.69)</b>	<b>3,140.65</b>	<b>3,086.97</b>

**e) Movement in temporary differences**

(Amount INR in lakhs)

Particulars	Balance as at 01 April 2022	Recognised in Profit & Loss Statement during 2022-23	Recognised in OCI during 2022-23	Balance as at 31 March 2023
Property Plant and Equipment (including intangible assets)	3,141.94	1,720.94	-	4,862.87
Provisions- employee benefits	(2.28)	(2.04)	-	(4.32)
Provision for doubtful debts	(51.41)	(2.72)	-	(54.13)
<b>Total</b>	<b>3,088.25</b>	<b>1,716.18</b>	<b>-</b>	<b>4,804.42</b>

(Amount INR in lakhs)

Particulars	Balance as at 01 April 2021	Recognised in Profit & Loss Statement during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022
Property Plant and Equipment (including intangible assets)	1.28	3,140.65	-	3,141.94
Provisions- employee benefits	-	(2.28)	-	(2.28)
Provision for doubtful debts	-	(51.41)	-	(51.41)
<b>Total</b>	<b>1.28</b>	<b>3,086.97</b>	<b>-</b>	<b>3,088.25</b>

**Direct Tax Contingencies**

The Company does not have any ongoing disputes with Income Tax Authorities relating to tax treatment of income and expenditure.

**27. Deferred Tax (Net)**

(Amount INR in lakhs)

Particulars	Figures as at the end of current reporting period ended 31.03.2023	Figures as at the end of previous reporting period ended 31.03.2022
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	2.04	2.28
Provision for Doubtful Debts	2.72	51.41
Unabsorbed Losses Carried forward as per Income Tax Act, 1961	-	-
	<b>4.76</b>	<b>53.69</b>

Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of PPE	1,720.94	3,140.65
	<b>1,720.94</b>	<b>3,140.65</b>
Amount to be recognised in Profit and Loss Account	<b>(1,716.18)</b>	<b>(3,086.97)</b>
Opening Balance of Deferred Tax Asset/(Liability)	(3,088.25)	(1.28)
Deferred Tax Asset/(liability) as on 31 <sup>st</sup> March 2023	<b>(4,804.42)</b>	<b>(3,088.25)</b>

## 28. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company and the weighted average number of Equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares.

### i. Profit attributable to Equity holders of parent

(Amount in lakhs)

	31 March 2023	31 March 2022
Profit after tax	46,702.79	34,298.62
<b>Profit attributable to equity holders of the Company for basic earnings</b>	<b>46,702.79</b>	<b>34,298.62</b>
Others	-	-
<b>Profit attributable to equity holders of the Company adjusted for the effect of dilution</b>	<b>46,702.79</b>	<b>34,298.62</b>
<b>Basic / Adjusted earnings per share (INR)</b>	<b>1.61</b>	<b>12.12</b>
<b>Diluted earnings per share (INR)</b>	<b>1.61</b>	<b>12.12</b>

### ii. Weighted average number of equity shares

Particulars	Date	No of Shares	Balance of Shares	Weight allotted (in days)	Weighted Average no of equity shares
Opening Balance	01-04-2022	91,00,00,000	91,00,00,000	365	91,00,00,000
Issued	23-11-2022	4,69,76,00,000	5,60,76,00,000	129	1,98,18,64,110
<b>Weighted average number of shares at March 31, 2023 for EPS</b>					<b>2,89,18,64,110</b>

Particulars	Date	No of Shares	Balance of Shares	Weight allotted (in days)	Weighted Average no of equity shares
Opening Balance	01-04-2021	1,00,00,000	1,00,00,000	225	61,64,384
Issued	12-11-2021	70,00,00,000	71,00,00,000	132	25,67,67,123
Issued	24-03-2022	20,00,00,000	91,00,00,000	8	1,99,45,205
<b>Weighted average number of shares at March 31, 2022 for EPS</b>					<b>28,28,76,712</b>

## 29. Financial instruments – Fair values and risk management

## A. Accounting classification and fair values

	31 March 2023				31 March 2022				(Amount INR in lakhs)			
	FVTPL	FVTOCI	Amortised Cost	Total	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non - Current financial assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current financial assets	-	-	11,973.25	11,973.25	-	-	15,925.68	15,925.68	-	-	-	-
Prepaid Expenses	-	-	20.09	20.09	-	-	37.97	37.97	-	-	-	-
	-	-	<b>11,993.34</b>	<b>11,993.34</b>	-	-	<b>15,963.64</b>	-	-	-	-	-
<b>Financial assets not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current financial assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	76,382.44	76,382.44	-	-	82,602.63	82,602.63	-	-	-	-
Cash and cash equivalents	-	-	11,241.28	11,241.28	-	-	2,946.78	2,946.78	-	-	-	-
Other Bank Balances	-	-	3,25,256.49	3,25,256.49	-	-	1,75,938.58	1,75,938.58	-	-	-	-
Deposits held as margin money against guarantee issued	-	-	9,921.52	9,921.52	-	-	8,942.58	8,942.58	-	-	-	-
Accrued interest on deposits with banks	-	-	4,247.66	4,247.66	-	-	4,441.08	4,441.08	-	-	-	-
Accrued Income	-	-	-	-	-	-	43,264.21	43,264.21	-	-	-	-
Advance for Goods or Services	-	-	16,435.56	16,435.56	-	-	176.86	176.86	-	-	-	-
	-	-	<b>4,43,484.95</b>	<b>4,43,484.95</b>	-	-	<b>3,18,312.72</b>	<b>3,18,312.72</b>	-	-	-	-
<b>Financial liabilities measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non - Current financial liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-
Advance from customers	-	-	2,657.85	2,657.85	-	-	2,633.19	2,633.19	-	-	-	-
	-	-	<b>2,657.85</b>	<b>2,657.85</b>	-	-	<b>2,633.19</b>	<b>2,633.19</b>	-	-	-	-

Financial liabilities not measured at fair value												
<b>Current financial liabilities</b>												
Trade Payables	-	76,811.84	76,811.84	-	6,23,081.56	6,23,081.56	-	-	-	-	-	-
Creditors for expenses	-	29.05	29.05	-	5.34	5.34	-	-	-	-	-	-
Advances for other than SSC	-	1,43,683.96	1,43,683.96	-	2,032.62	2,032.62	-	-	-	-	-	-
Caution Deposit	-	1,419.79	1,419.79	-	1,372.22	1,372.22	-	-	-	-	-	-
ICRD [INSAT Capacity Reservation Deposit]	-	1,250.90	1,250.90	-	1,226.05	1,226.05	-	-	-	-	-	-
Advance for SSC	-	449.68	449.68	-	-	-	-	-	-	-	-	-
Liability for Deferred income	-	889.06	889.06	-	117.20	117.20	-	-	-	-	-	-
Other liabilities	-	24.50	24.50	-	58.02	58.02	-	-	-	-	-	-
Revenue in Advance	-	4,036.14	4,036.14	-	355.62	355.62	-	-	-	-	-	-
	-	<b>2,28,594.93</b>	<b>2,28,594.93</b>	-	<b>6,28,248.64</b>	<b>6,28,248.64</b>	-	-	-	-	-	-

#### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**There have been no transfers among Level 1, Level 2 and Level 3 during the period.**

#### B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

#### i. Risk management framework

The company's principal financial liabilities comprise trade payables, deposits from customers and other payable for expenses. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade receivables, cash, deposits and accrued income that derive directly from its operations.

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The company's exposure to credit risk is influenced mainly by the individual characteristic of customer.

### **30 Financial instruments – Fair values and risk management (continued)**

#### **ii. Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalent with banks, security deposits and loans.

The credit risk of the Company is managed by the Company management which has established the credit policy norms for its customers and other receivables. Significant amount of trade receivables, which are exceeding one year, are due from Government/ Government Departments, Government Organisations consequent to which the Company does not have a credit risk associated with such receivables. In case of non Government trade receivables, majority of the debts are secured through Caution Deposits and Bank Guarantees, thereby reducing the credit risk.

In a few cases credit is extended to customers based on market conditions and their past remittance history. Provision has been made for impairment losses on financial assets after factoring contractual terms, etc and other indicators.

The cash and cash equivalents and Other Bank balances of INR 3,36,497.77 lakhs as at March 31 2023 (INR 1,78,885.36 lakhs at March 31, 2022). It is with banks in the form of current account balances, term deposits with maturity period of up to 1 year except in case of deposits kept as lien for Bank Guarantees obtained by the Company for advance and performance. Major portion of term deposit are kept with a nationalised bank and remaining deposit with a reputed listed private scheduled bank which are rated A1+ based on CRISIL ratings.

The credit risk in respect of other financial assets are negligible as they are mostly due from Government Department/ parties.

### **31. Financial instruments – Fair values and risk management (continued)**

#### **iii. Liquidity risk**

Liquidity risk is the risk that the Company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fulfil its commitments. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

#### **Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Amount INR in Lakhs)

**Contractual cash flows****31 March 2023**

	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years
<b>Non-derivative financial liabilities</b>					
<b>Non Current</b>					
Other Non Current financial liabilities	2,657.85	-	2,657.85	-	-
<b>Current</b>					
Trade payables	76,811.84	76,811.84	-	-	-
Creditors for expenses	29.05	29.05	-	-	-
Advances for other than SSC	1,43,683.96	1,43,683.96	-	-	-
Caution Deposit	1,419.79	1,419.79	-	-	-
ICRD [INSAT Capacity Reservation Deposit]	1,250.90	1,250.90	-	-	-
Advance for SSC	449.68	449.68	-	-	-
Liability for Deferred income	889.06	889.06	-	-	-
Other liabilities	24.50	24.50	-	-	-
Revenue in Advance	4,036.14	4,036.14	-	-	-
	<b>2,31,252.78</b>	<b>2,28,594.93</b>	<b>2,657.85</b>	-	-

**Contractual cash flows****31 March 2022**

(Amount INR in Lakhs)

	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years
<b>Non-derivative financial liabilities</b>					
<b>Non Current</b>					
Other Non Current financial liabilities	2,633.19	-	2,633.19	-	-
<b>Current</b>					
Trade payables	6,23,081.56	6,23,081.56	-	-	-
Creditors for expenses	5.34	5.34	-	-	-
Advances for other than SSC	2,032.62	2,032.62	-	-	-
Caution Deposit	1,372.22	1,372.22	-	-	-
ICRD [INSAT Capacity Reservation Deposit]	1,226.05	1,226.05	-	-	-
Advance for SSC	-	-	-	-	-
Liability for Deferred income	117.20	117.20	-	-	-
Other liabilities	58.02	58.02	-	-	-
Revenue in Advance	355.62	355.62	-	-	-
	<b>6,30,881.83</b>	<b>6,28,248.64</b>	<b>2,633.19</b>	-	-

**32. Financial instruments – Fair values and risk management (continued)****iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive of financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to interest rate risk. Thus, exposure to market risk is a function of

investing and borrowing activities. The objective of market risk management is to avoid excessive exposure in foreign currency.

### Currency risk

The Company is exposed to currency risk on account of export and import of products and services in foreign currency. The functional currency of the Company is Indian Rupee.

The summary quantitative data about the Company's exposure to currency risk is as follows:

**As at 31 March 2023**

Currency	Amount in Foreign Currency				Amount in INR in lakhs			
	Financial Assets	Non Current Liabilities	Current Liabilities	Net Receivable/ (Payable)	Financial Assets	Non Current Liabilities	Current Liabilities	Net Receivable/ (Payable)
Euro (EUR)	15,17,505.00	29,66,100.00	14,613.74	(14,63,208.74)	1,359.80	2,657.85	13.10	(1,311.15)
US Dollar (USD)	2,30,72,764.17	-	1,50,28,783.62	80,43,980.55	18,969.71	-	12,356.20	6,613.51

**As at 31 March 2022**

Currency	Amount in Foreign Currency				Amount INR in lakhs			
	Financial Assets	Non Current Liabilities	Current Liabilities	Net Receivable/ (Payable)	Financial Assets	Non Current Liabilities	Current Liabilities	Net Receivable/ (Payable)
Euro (EUR)	1,35,59,880.89	29,66,100.00	-	1,05,93,780.89	11,479.78	2,511.10	-	8,968.68
US Dollar (USD)	4,34,785.62	-	2,13,16,588.94	(2,08,81,803.32)	329.60	-	16,159.49	(15,829.89)

### Sensitivity Analysis

A reasonably possible strengthening(weakening) of the INR, US Dollar, Euro and all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in a particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**Amount INR in Lakhs**

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2023</b>				
USD (1% movement)	66.14	(66.14)	49.49	(49.49)
EUR (1% movement)	(13.11)	13.11	(9.81)	9.81
<b>31 March 2022</b>				
USD (1% movement)	(158.30)	158.30	(118.46)	118.46
EUR (1% movement)	89.69	(89.69)	67.11	(67.11)

	Year-end rate	
	31 March 2023	31 March 2022
USD	82.22	75.81
Euro	89.61	84.66

### 33. Segmental information

The Ministry of Corporate Affairs, Government of India vide Notification GSR 463(E) dated 05-June-2015 has exempted disclosure of additional information of each class of goods with quantities and corresponding values under section 129 of Companies Act, 2013 and in view of the sensitive nature of the products and the area of operation, the information required under Indian Accounting Standard 108 - Operating Segments, has not been furnished for the current and previous financial years.



### 34. Related Parties - Ind AS-24

NewSpace India Limited is a wholly owned Government of India Company under the administrative control of Department of Space, Government of India. The Company is a Government related entity and is exempt from requirements of disclosure as per para 18.

The Company shall disclose information as per Para 26 of IndAS 24. The relevant disclosures are as follows:

**Controlling Entity**                      **Department of Space, Government of India**

#### Key Management Personnel

Name of the related party	Relationship (For year ended 31.03.2023)	Relationship (For year ended 31.03.2022)
Shri Radhakrishnan D	Chairman and Managing Director	Chairman and Managing Director from 31.07.2021
Shri Arunachalam A	Director (Technical & Strategy)	Director (Technical & Strategy) from 01.08.2021
Smt. Shanmuga Priya	Company Secretary (from 10.03.2023)	-
Shri Narayanan G	-	Chairman and Managing Director up to 31.07.2021
Smt. K. Renu	Company Secretary (upto 31.08.2022)	Company Secretary

#### List of transactions with Related Parties

(Amount INR in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Indian Space Research Organization</b>		
Remuneration to Key managerial Personnel	110.48	136.66
Remuneration to Others	51.76	70.69
	<b>162.24</b>	<b>207.35</b>
<b>Department of Space, Government of India</b>		
Revenue from sales made during the Year	-	-
Costs incurred towards Product/Services during the Year	1,25,922.66	40,442.35
Revenue from rendering of Contract Management Services for Space Segment during the Year	-	-
	<b>1,25,922.66</b>	<b>40,442.35</b>

#### List of outstanding Balances with Related Parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Due to Department of Space, Government of India	-	-
Due to Indian Space Research Organization	1.20	18.12

### 35. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's adjusted net debt to equity ratio at March 31, 2023 was as follows:

(Amount INR in Lakhs)

	As at 31 March 2023	As at 31 March 2022
Total liabilities	2,54,167.44	6,49,190.66
Less : Cash and cash equivalents & other bank balances	3,36,497.77	1,78,885.36
<b>Adjusted net debt</b>	<b>(82,330.33)</b>	<b>4,70,305.29</b>
Total equity	6,60,640.27	1,44,177.47
Less : Hedging reserve	-	-
<b>Adjusted equity</b>	<b>6,60,640.27</b>	<b>1,44,177.47</b>
Adjusted net debt to adjusted equity ratio	(0.12)	3.26

Considering the various state of affairs of the Company, the ratio is satisfactory.

### 36. Assets and liabilities relating to employee benefits

See accounting policy in Note 3

#### i. Gratuity

(Amount INR in Lakhs)

	31-Mar-23	31-Mar-22
Current Service Cost	2.09	2.33
Net Periodic Benefit Cost Recognised In P& L	2.27	2.33
Other Comprehensive (Income)/ Loss	(0.12)	-
Present Value Of Defined Benefits Obligation (DBO)	4.48	2.33
Fair Value Of The Plan Assets (FVA)	-	-
Net Assets/ Liabilities Recognised In Balance Sheet	(4.48)	(2.33)
Discount Rate as per Para 83 of IND AS 19	7.52%	7.58%
<b>(Net Asset)/ Liability Recognised in OCI</b>		

#### A. Remeasurement effects recognised in other Comprehensive Income

	31-Mar-23	31-Mar-22
Total Actuarial (Gain)/ loss included in OCI (Ind As 19 para 57(d))	(0.12)	-
Actuarial (Gain)/ Losses due to Financial assumption changes in DBO	0.04	-
Actuarial (Gain)/ Losses due to Experience on DBO	(0.16)	-
<b>B. Defined Benefit Cost (Para 120)</b>		
Cost Recognised in P&L (Ind As 19 Para 57 c)	2.27	2.33
Remeasurement Effect Recognised in OCI; Para 120c	(0.12)	-
Total Defined Benefit Cost (Para 120 a,b,&c)	2.15	2.33
Amount not Recognised as an Asset (limit in Para 64(b))	-	-
<b>NET EXPENSE</b>	<b>2.15</b>	<b>2.33</b>

#### Discount Rate as per Para 144 of (Ind AS) 19 - 7.58%

Net Asset/ (Liability) Recognised in Balance Sheet	31-Mar-23	31-Mar-22
Present value of Unfunded obligation	4.48	2.33

Funded status [(Deficit)] {(Para 64(a)}	(4.48)	(2.33)
Present value of Encashment Obligation	-	-
Present Value of Availment Obligation	<b>(4.48)</b>	<b>(2.33)</b>
<b>Funding Ratio</b>	-	-

**Assumption: Discount rate as per Para 83 of Ind AS19: 7.52% (previous year 7.58%)**

<b>A. Bifurcation of Current &amp; Non- current on</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
PVO (Unfunded Scheme)		
Current	0.01	0.00
Non-current	4.47	2.33

<b>Change in DBO over the period ending on (Para 140(a)(ii) and 141)</b>		
Current Service Cost	2.09	2.33
Present Value of Defined Benefits Obligation (Closing)	4.48	2.33

<b>Weighted average duration of the D B O</b>	<b>16.09</b>	<b>17.85</b>
---	--------------	--------------

**Information on the maturity profile of the liabilities given below**

Projected Benefit Obligation	4.48	2.33
Accumulated Benefits Obligation	1.78	0.90

<b>FIVE YEAR PAYOUTS</b>	<b>31-Mar-23</b>	
	<b>Discounted values/ Present Value</b>	<b>Undiscounted Values/ Actual value</b>
Year (I)	0.006	0.006
Year (II)	0.005	0.006
Year (III)	0.005	0.006
Year (IV)	0.005	0.007
Year (V)	0.005	0.007
Next 5 year pay-outs (6-10 years)	0.027	0.047
<b>Pay-outs above Ten Years</b>	2.295	9.866
<b>Vested benefit Obligation as on 31/03/2022</b>		-

<b>Reconciliation of Net Balance Sheet Liability</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Net Period Benefit (Cost)/ Income for the period excluding Para 64(b)	(2.27)	(2.33)
(Accrued)/ Prepaid benefit cost (Before Adj) at the end of period	(4.60)	(2.33)
Amount Recognized in Accumulated OCI at the end of the e	0.12	
Net Balance Sheet Asset/ Liabilities Recognised at the end of the period	(4.48)	(2.33)

<b>Components of Employer expense</b>		-
Present value of obligation as at the end of the period	4.48	<b>2.33</b>

Net Increase in Liability over the valuation period	2.15	<b>2.33</b>
Expenses recognised in the Statement of Profit/ Loss	2.15	<b>2.33</b>
P & L in Current Year	2.27	<b>2.33</b>
OCI in Current Year	(0.12)	-
Effect of Sec 64b	-	-
Total	2.15	<b>2.33</b>
Interest Expense on DBO		
<b>Total Net Interest</b>		
<b>Disclosures of Stress Testing as on Valuation</b>		
<b>(Liability) Recognised in Balance Sheet</b>	(4.48)	<b>(2.33)</b>

SCENARIOS	% Increase in DBO	LIABILITY	DECREASE OR INCREASE IN DBO
Discount Rate + 100 basis points	-14%	3.84	(0.637)
Discount Rate - 100 basis points	18%	5.27	0.789
Salary Growth + 100 basis points	17%	5.24	0.761
Salary Growth 100 basis points	-14%	3.85	(0.626)
Attrition Rate + 100 basis point	-3%	4.35	(0.131)
Attrition Rate - 100 basis point	3%	4.61	0.134
Mortality Rate 10% Up	-	4.48	0.000
Effect of No ceiling	-	4.48	-

There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed.

Main Assumptions	31-Mar-23	31-Mar-22
Discount rate (Ind As 19 Sec 83)	7.52%	7.58%
Expected return on assets	-	-
Salary Escalation	7%	7%
Attrition Rate	5%	5%

Age	Mortality Rate
20	0.000924
30	0.000977
35	0.001202

#### Demographic Assumptions

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

#### ii. Leave Encashment

	31-Mar-23	31-Mar-22
Current Service Cost	8.39	5.30
Net Periodic Benefit Cost Recognised In P & L	5.85	5.80
Other Comprehensive Income/ Loss		

Present Value Of Defined Benefits Obligation (Dbo)	12.58	6.73
Fair Value Of The Plan Assets (Fva)	-	-
Net Assets/ Liabilities Recognised In Balance Sheet	(12.58)	(6.73)
<b>Discount Rate as per Para 83 of IND AS 19</b>		

**(Net Asset)/ Liability Recognised in OCI****A. Remeasurement effects recognised in other Comprehensive Income**

	31-Mar-23	31-Mar-22
Total Actuarial (Gain)/ loss included in OCI (Ind As 19 para 57(d))	-	-
Actuarial (Gain)/ Losses due to Financial assumption changes in DBO	0.12	(0.41)
Actuarial (Gain)/ Losses due to Experience on DBO	(3.17)	0.85
<b>B. Defined Benefit Cost (Para 120)</b>	-	-
Cost Recognised in P&L (Ind As 19 Para 57 c)	5.85	5.80
Remeasurement Effect Recognised in OCI; Para 120c	-	-
Total Defined Benefit Cost (Para 120 a,b,&c)	5.85	5.80
Amount not Recognised as an Asset (limit in Para 64(b))	-	-
<b>NET EXPENSE</b>		
<b>Discount Rate as per Para 144 of (Ind AS) 19 - 7.52% (Previous Year 7.58% )</b>		

<b>Net Asset/ (Liability) Recognised in Balance Sheet</b>	31-Mar-23	31-Mar-22
Present value of Unfunded obligation	12.58	6.73
Funded status [(Deficit)] {(Para 64(a)}	(0.00)	(6.73)
Net Liability	0.00	(6.73)
Recognised in Balance Sheet	(0.00)	(6.73)
<b>Present value of Encashment Obligation</b>	11.58	6.20
<b>Present Value of Availment Obligation</b>	1.00	0.53
<b>Funding Ratio</b>		
<b>Assumption: Discount rate as per Para 83 of Ind AS19: 7.52% (Previous Year 7.58%)</b>		

<b>A. Bifurcation of Current &amp; Non- current on</b>	31-Mar-23	31-Mar-22
PVO (Unfunded Scheme)		
Current	1.59	0.86
Non-current	11.00	5.87

<b>Change in DBO over the period ending on (Para 140(a)(ii) and 141)</b>	-	-
Current Service Cost	8.39	5.30
Present Value of Defined Benefits Obligation (Opening)	0.00	0.93
Interest Cost	0.51	0.07
Actuarial (Gain)/ Loss for immediate recogn	(3.05)	0.43
Present Value of Defined Benefits Obligation (Closing)	12.58	6.73
<b>Weighted average duration of the D B O</b>	<b>16.09</b>	<b>17.85</b>

**Information on the maturity profile of the liabilities given below**

Projected Benefit Obligation	10.67	5.04	1.91	1.69
Accumulated Benefits Obligation	-	-	-	-

FIVE YEAR PAYOUTS	31-Mar-23		31-Mar-22	
	Discounted values/ Present Value of Earned Leave	Undiscounted Values/ Actual value of Earned Leave	Discounted values/ Present Value of Half Pay Leave	Undiscounted Values/ Actual value of Half Pay Leave
Year (I)	0.54	0.58	0.09	0.10
Year (II)	0.51	0.59	0.09	0.10
Year (III)	0.48	0.60	0.08	0.10
Year (IV)	0.45	0.61	0.08	0.11
Year (V)	0.43	0.62	0.07	0.11
Next 5 year pay-outs (6-10 years)	1.72	3.07	0.29	0.53
<b>Pay-outs above Ten Years</b>	6.55	42.22	1.20	7.28
<b>Vested benefit Obligation as on 31/03/2022</b>				

Reconciliation of Net Balance Sheet Liability	31-Mar-23	31-Mar-22
Net Period Benefit (Cost)/ Income for the period excluding Para 64(b)	(12.58)	(6.73)
(Accrued)/ Prepaid benefit cost (Before Adj) at the beginning of the period	(6.73)	(0.93)
Net Periodic Benefit (Cos)/ Income for the period	(5.85)	(5.80)
(Accrued)/ Prepaid benefit cost (Before Adj) at the end of period	(12.58)	(6.73)
Net Balance Sheet Asset/ Liabilities Recognised at the end of the period	(12.58)	(6.73)
<b>Components of Employer expense</b>	-	-
Current Service Cost	8.39	5.30
Total Service Cost	8.39	5.30
Interest Expense on DBO	0.51	0.07
Total Net Interest	0.51	0.07
Immediate Recognition of (Gain)/ Losses-Other Long Term Benefits	(3.05)	0.43
Defined Benefits cost included in P& L	0.93	5.80

**Disclosures of Stress Testing as on Valuation**

SCENARIOS	% Increase in DBO in respect of Earned Leave	Liability in Respect of EL	Decrease or Increase In DBO Of EL	% Increase in DBO for HPL	Liability for HPL	Decrease or increase In DBO for HPL
Discount Rate + 100 basis points	-12.72%	9.31	(1.357)	-12.52%	1.67	(0.239)
Discount Rate - 100 basis points	16.13%	12.39	1.721	15.78%	2.21	0.302
Salary Growth + 100 basis points	15.45%	12.32	1.649	15.13%	2.20	0.289

Salary Growth 100 basis points	-12.20%	9.35	(1.320)	-12.20%	1.68	(0.233)
Attrition Rate + 100 basis point	0.25%	10.70	0.031	0.25%	1.92	0.005
Attrition Rate - 100 basis point	-0.25%	10.64	(0.031)	-0.25%	1.91	(0.005)
Mortality Rate 10% Up	0.00%	10.67	0.000	0.00%	1.91	0.000
Effect of No ceiling						

### 37. Details of Corporate and Social Responsibility

(Amount INR in lakhs)

Particulars	Figures as at the end of current reporting period ended 31.03.2023	Figures as at the end of previous reporting period ended 31.03.2022
<b>Amount allocated to be spent by the company for the year</b>	<b>494.20</b>	<b>231.25</b>
<b>Amount spent during the year (on actual payment and not in kind)</b>		
(i) Health & Nutrition	48.44	49.27
(ii) Sanitation	22.50	5.84
(iii) Social Justice, Empowerment & Skill Development	20.00	6.50
(iv) Sustainable development	10.00	3.29
(v) Aspirational District	9.00	6.00
(vi) Education	-	20.68
(vii) Others	12.50	3.63
<b>Committed amount kept in separate bank account</b>	<b>248.19</b>	<b>132.08</b>
<b>Amount to be transferred / transferred to specified fund</b>	<b>123.57</b>	<b>3.96</b>
	<b>494.20</b>	<b>231.25</b>

(Amount INR in lakhs)

		Figures as at end of current reporting period 31.03.2023	Figures as at the end of previous reporting period 31.03.2022
<b>38</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS:</b> (to be extent not provided for) <b>i) Contingent Liability:</b> a) Claims the company not acknowledged as debt b) On account of Obligations arising from Bank Guarantees issued by Banks secured by Fixed Deposits c) Other Outstanding Letter of Credit and Guarantees: d) Other money for which the Company is contingently liable:- i) Commitments: (a) Estimated amount of contracts remaining to be executed on capital account and not provided for, (b) Other commitments	Nil 14,660.87 Nil Nil Nil Nil	Nil 20,191.39 Nil Nil Nil Nil
	The Company is of the view that there will be no outflow of resources for liabilities considered as contingent.		
<b>39</b>	Board opinion about assets other than Property, Plant & Equipment and Non-Current Investments in respect of its realization in the ordinary course of business at least equal to the amount at which they are stated.	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 Books of Accounts.	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 Books of Accounts.

**40 OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS****40.1 Related Party Disclosure :**

- NewSpace India Limited is a wholly owned Government of India Company under the administrative control of Department of Space (DOS), Government of India(GOI).
- The Workforce of the company consists of officials from ISRO on working arrangement and Company's own roll. The salary expenditure incurred by ISRO for ISRO workforce in the Company is reimbursed to them at actuals. Payment towards retirement benefits in respect of them are borne by ISRO.
- The Key Managerial Personnel as per Accounting Standard 18 "Related Party Disclosures" are Shri Radhakrishnan D, Chairman and Managing Director ,Shri Arunachalam A, Director (Technical & Strategy), Smt. K. Renu, Company Secretary upto 31/08/2022 and Smt. S. Shanmuga Priya, Company Secretary w.e.f 10/03/2023. There are no transactions with such parties during the period other than reimbursement of remunerations and employees benefits to Indian Space Research Organisation (ISRO) for Chairman and Managing Director and Director (T & S) and Salary for the Company Secretary.



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 Radhakrishnan D	Chairman and Managing Director.
b) Shri Arunachalam A	Director (Technical & Strategy)
c) Smt. S. Shanmuga Priya	Company Secretary w.e.f 10/03/2023
d) Smt. K. Renu	Company Secretary upto 31/08/2022

The relevant disclosure as per AS-18 “ Related Party Disclosures” are as below

Transactions with the Related Party: Please refer a separate Note No. 34

**40.2** The Company has requested confirmation of balance as on 31st March 2023 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.

**40.3** The details of Corporate and Social Responsibility:

(a) Gross amount required to be spent by the Company during the year INR 494.20 lakhs (Previous year- INR 231.25 lakhs)

(b) Amount spent during the year: Please refer a separate Note No. 37

**40.4** During the year, the Company has booked the difference between the cost estimated & booked earlier and cost as per the latest MoU signed for launch services in respect of 2 dedicated launch vehicles.

**40.5 Proposed Dividend:**

Particulars	Figures for the current year ended 31-03-2023	Figures for the current year ended 31-03-2022
(a) The amount of Dividend proposed to be distributed to Equity Shareholders for the period	Proposed to seek exemption from DIPAM **	Proposed to seek exemption from DIPAM ***
(b) Dividend per share	Not Applicable **	Not Applicable ***

\*\* NSIL Board in its meeting held 25th June 2023 had detailed discussion and approved for seeking exemption from DIPAM guidelines through administrative ministry for (i) Payment of Dividend (ii) Buy Back of shares (iii) Issue of Bonus shares f(iv) Splitting of Shares for the FY 2022-23.

\*\*\* NSIL Board in its meeting held on 7th March 2022 had detailed discussion and approved for seeking exemption from DIPAM guidelines through administrative ministry for (i) Payment of Dividend (ii) Buy Back of shares (iii) Issue of Bonus shares for the FY 2021-2022.



- 40.6** Deposits held as margin money against guarantees issued classified under 'Other non-current assets include an amount of INR 9854.65 lakhs (Previous year INR 552.26 lakhs) maturing within 12 months of Balance sheet date as these deposits are required to be renewed automatically till the validity of the BG.
- 40.7** The Company has entered into Novation agreement with Parties, accordingly contract 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.
- 40.8** As per the provisions of the launch service agreements, the Company is liable to maintain at no cost to customers, through self-insurance against legal liability for bodily injury, including death and loss of damage to property of Third Parties regarding dedicated as well as co-passenger customer satellite launches using ISRO Launch Vehicles. ISRO follows policy of Self-Insurance with respect to each and every launch, thus eliminating the requirement for Third Party Liability (TPL) Insurance to be taken by the Company.

**40.9 Additional Information of the general instruction for preparation of statement of profit and loss**

5 (ii) (a) (1) & (2) & 5(iii) - NSIL is not a manufacturing company, hence not applicable.

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; - NIL

5(viii)(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: - NIL

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 dividends were due and the year to which the dividend related: - NIL

5(viii)(b) Expenditure in foreign currency during the financial year on account of know-how, professional, consultation fees and interest: - NIL

5(viii)(e) Earning in foreign exchange classified under the following heads, namely: II.know-how, professional and consultation fees, III.Interest and dividend: - NIL

- 40.10** 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)(b) Expenditure in foreign currency during the financial year on account of royalty and other matters;

5(viii) (e) Earning in foreign exchange classified under the following heads, namely: I. Export of goods calculated on F.O.B basis, II.Royalty, IV. Other income, indicating the nature thereof.

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

Particulars	Year end currency translation [INR in Lakhs]	Dr/Cr	Statement of Profit and Loss
Relating to Outstanding Liabilities and Assets	74.32	Dr	Debited to Other Expenses
	(163.49)	Cr	(Credited to Other Income)

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

- 40.12** DOS has communicated the approval for transfer of its 10 in-orbit operational communication Satellites viz. GSAT-8, 10, 12R, 14, 15, 16, 17, 18, 30 and 31 to NSIL with effect from 01/04/2021 through Office Memorandum dated 04 July 2022. The transfer price (herein after referred as price) as informed by DOS was discharged by way of equity shares during 2022-23. As the equity could be issued prospectively only, the price of the satellite assets transferred to NSIL was classified as Trade Payable under Current Liability in F.Y. 2021-22. The Company has not insured the Satellite as the same is already operational more than a year.

The transferred satellites are continue to be maintained by Master Control Facility (MCF)/ ISRO, Hassan. Company is in the process of entering into a suitable understanding towards terms and conditions including maintenance cost payable to them. As the understanding is not finalised, the satellite maintenance cost is taken as per the concerned Satellite Project sanction order issued by DOS.

- 40.13** Company has maintained fixed deposits amounting to INR 19,776.16 lakhs (Previous year 2021-22 INR 22,738.95 lakhs) as Security against Bank Guarantees issued by State Bank of India for Euro 16,350,000 (Previous Year 23,850,000) and USD 12195 (Previous Year NIL) 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 disclosure does not arise. The Exchange rate considered for arriving BG value are INR 89.6076 for FY 2022-23 and 84.6599 for FY 2021-22 per EURO and 82.2169 for FY 2022-23 per USD.

- 40.14** 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 realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Accounts.

**40.15 Disclosure under Indian Accounting Standard IndAS 38: 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 developed software from the date of acceptance.
(d)	Amortisation methods used	Straight Line Method
(e)	Gross carrying amount in INR in lakhs	36.60
(f)	Accumulated amortisation in INR in lakhs	6.95
(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 3A & 3B

(i)	Additions, indicating separately those from internal development and through amalgamation	Bought out Software of INR 32.66 lakhs
(ii)	Retirements and disposals	NIL
(iii)	Impairment losses recognised in the Statement of Profit and Loss during the period (if any)	NIL
(iv)	Impairment losses reversed in the Statement of Profit and Loss during the period (if any)	NIL
(v)	Amortisation recognized during the period	6.24
(vi)	Net exchange differences arising on the translation of the financial statements into the presentation currency, and on the translation of a foreign operation into the presentation currency of the entity.	NIL
(vii)	Other changes in the carrying amount during the year	NIL

**40.16** NSIL is functioning from a building owned by DOS. No rent has been fixed by DOS for the building till date. NSIL has obtained the rental value from a Chartered Engineer and suitable liability is created for the period from 23/05/2019, the day on which Company started to function in the building.

#### **40.17 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

##### **40.17.1 Disclosure in relation to undisclosed income**

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

##### **40.17.2 Details of Benami Property held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company during the year ended March 31, 2023 and March 31, 2022 for holding any Benami property.

##### **40.17.3 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

##### **40.17.4 Utilisation of Borrowed Fund & Share Premium**

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**40.17.5** The Company has not advanced or lent or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**40.17.6** Borrowing secured against Current Assets: NIL

#### **40.18 Additional disclosures relating to the requirement of revised Schedule III**

##### **40.18.1 Loans or advances (repayable on demand or without specifying any terms or period of repayment) to specified persons:**

During the year ended March 31, 2023, the Company did not provide any Loans or advances which remains outstanding (repayable on demand or without specifying any terms or period of repayment) to a persons (NIL as on March 31, 2022).

##### **40.18.2 Relationship with Struck Companies:**

The Company did not have any transaction with companies struck off during the year ended March 31, 2023 and also for the year ended March 31, 2022.

**40.18.3** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. In the event of the creation of the charges above, the said charges would be registered with ROC, Bengaluru within the statutory period.

**40.18.4** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules 2017.

**40.19** Figures have been rounded off to the nearest lakhs and figures for previous year have been regrouped/ rearranged wherever necessary to confirm to the presentation of the current year.

#### **40.20 Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on 25.06.2023.

As per our report of even date attached

**For and on behalf of the Board of Directors**

**For M/s Pal and Shanbhogue**

Chartered Accountants

Firm Regn No: 002528S

**K.R.Shanbhogue**

Partner

ICAI Membership No. 18578

ICAI UDIN: 23018578BGUDZN2031

**S.Shanmuga Priya**

Company Secretary

**Annamalai Arunachalam**

Director, Technical & Strategy

DIN: 09262267

**Radhakrishnan Durairaj**

Chairman and Managing Director

DIN: 08382973

Place: Bengaluru

Date: 25-06-2023

**Ratios**

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	As at March 31		Variance- Increase / (Decrease) in %	Reasons for variance
			2023	2022		
Current ratio	Current assets	Current liabilities	1.88	0.52	265	The ratio has improved due to increase in Current Assets on account of Advance payment for goods/services, Bank balances
Debt - Equity ratio	Total Debt	Shareholders equity	NA	NA	NA	
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA	
Return on Equity (ROE)	Net profits after taxes	Average shareholders equity	0.12	0.42	(72)	The ratio has decreased due to issue of shares to the tune of Rs.469760 lakhs during the year
Trade receivables turnover ratio	Revenue	Average trade receivables	3.58	2.20	63	The increase in ratio is due to increase in Turnover
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	0.49	0.18	169	The increase in ratio is due to increase in Cost of goods/ services corresponding to increase in turnover
Net capital turnover ratio	Revenue	Working capital	1.31	-0.54	(343)	Due to allotment of shares for transfer of asset from DoS, the current liabilities is reduced , thereby showing improvement in working capital
Net profit ratio	Net profit	Revenue	0.22	0.27	(20)	The changes in margin % on revenue
Return on Capital Employed	Earning before interest and taxes	Capital employed	0.09	0.31	(69)	Equity has increased during the year due to allotment of shares for transfer of asset from DoS however, the profit has not increased substantially.
Return on Investment	Income generated from investments	Time weighted average investments	NA	NA	NA	