



# ANNUAL REPORT

## 2019-2020



**NewSpace India Limited (NSIL)**

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



**NewSpace India Limited (NSIL)**  
A Central Public Sector Enterprise under Department of Space

# **Annual Report 2019-20**



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## BOARD OF DIRECTORS



**Mr. G NARAYANAN**  
Chairman and Managing Director



**Mr. RADHAKRISHNAN DURAIRAJ**  
Director, Technical & Strategy



**Dr. VENKITAKRISHNAN P. V.**  
Director (ISRO Nominee)



**Mr. R UMAMAHESWARAN**  
Director (ISRO Nominee)



**Smt. SANDHYA VENUGOPAL SHARMA**  
Director (Government Nominee)

## CHAIRMAN'S SPEECH

Ladies and Gentlemen,

It gives me great pleasure in welcoming you all to the 1st Annual General Meeting of the Company. It may be a different setting than what we are normally used to, however on behalf of the Board of Directors of NewSpace India Limited, I would like to thank each and every one of you for taking out time and joining us here today.



The year of this report i.e., 2019-20 marked the centenary year of the great visionary and founding father of the Indian space program, Dr Vikram A Sarabhai and the current year i.e., 2020-21 marks the centenary year of the great leader Prof Satish Dhawan, who transformed the vision of the founding father into an organisation of excellence that has taken the world by surprise. I bow humbly in memory of these great souls.

It is indeed an honour to address you today on the occasion of the first AGM of the company and also first time in my capacity as Chairman and Managing Director of your Company. I thank you for the faith imposed on me and the continuous encouragement, guidance and support extended to me in carrying out my duties and responsibilities.

It has been my privilege to lead the "Team NSIL". As I do so, I am deeply aware that the Company's preeminent position today is an outcome of the untiring dedicated efforts of all those who have served the Indian Space Research Organisation and Department of Space till date and the invaluable support that they have received from the Governments.

The Company was incorporated on 6<sup>th</sup> March 2019 with mandate to commercially exploit the products and services emanating from the Indian Space Programme and serving domestic and global customers, as well as enable Indian Industries to scale up high-technology manufacturing base for space programme through technology transfer mechanisms.

The Company could start its operations successfully in few months of Incorporation and achieved a turnover of Rs. INR 31,644 Lakhs and a Profit of INR 5,129 Lakhs.

The Company's operations are progressing towards achieving its mandate. However, the pace was slowed down due to the pandemic of Covid-19. After few months of hiccups in the Financial Year 2020-21, the team is working towards achieving its mandate.

### **SCHEDULE – A CATEGORY**

The Company is Categorized as a Schedule 'A' CPSE by Department of Public Enterprises (DPE), vide Office Memorandum No. F.No.9(8) 2019-MGMT, on 6<sup>th</sup> Feb 2020.



## **BUSINESS ACCOMPLISHMENTS DURING FY 2019-20**

During the year, NSIL has made substantial progress in its business operations and has also initiated new business activities. Some of its business accomplishments are:

- **PSLV production through “Indian industry consortia” approach**
  - NSIL released Expression of Interest (Eoi) for PSLV production through Indian Industry(ies) and received responses. As the next step, release of RFP to the shortlisted parties, is in progress.
- **Launch Services on-board PSLV and SSLV**
  - During this period, NSIL has launched a total of 22 customer satellites onboard PSLV-C47 and PSLV-C48.
  - 15 other Launch Service Agreements have been signed for launching customer satellites on-board PSLV and SSLV viz., Three Dedicated Launch Service Agreements and Twelve Co-passenger Launch Service Agreements.
- **SATCOM services**
  - NSIL commenced Transponder leasing business activity in December 2019 and in FY 2019-20, provisioned transponder capacity to Two DTH (Direct to Home) operators and One DSNG (Digital Satellite News Gathering) Operator.
- **Satellite building for international customers**
  - NSIL is keen on venturing into Satellite building for International customers by leveraging of ISRO's expertise and infrastructure. Towards this, NSIL has submitted Techno-Commercial Proposals to International customers, which includes (i) building Communication Satellite and Earth Observation Satellites (ii) providing Satellite Bus Platform (iii) providing Launch Services; (iv) establishing of Ground and User Segment.
- **Remote Sensing Services**
  - During the year, NSIL has carried out Remote Sensing Consultancy study project for the Government of Karnataka.
- **Mission Support Services**
  - NSIL serves prestigious global satellite owners / operators for Telemetry & Tele-Command (TTC) services using ISRO's ground stations. During the FY 2019-20, NSIL has provided one mission support for tracking the launch vehicle and satellite injection.
- **Technology Transfer & Technical Consultancy Services**
  - NSIL is working out operating mechanisms to enable Transfer of Technology of space products from various ISRO Centres / Units to various Indian Industry partners.
  - Towards Technical consultancy services, NSIL has submitted response to the Expression of Interest to an International Customer towards determining the next/ future satellites for their space programme. NSIL has been shortlisted for next stage of the process.

## **CORPORATE GOVERNANCE**

The Company believes that it can sustain the business risks and progress if all the stakeholders are taken care of. To move towards inclusive growth of all the stakeholders, it maintains the principles of transparency, honesty, integrity, accountability, compliance of laws, procedures and meeting ethical standards.

The Company is complying with the Department of Public Enterprises (DPE) Guidelines on Corporate Governance. However, filling up of vacant post of Directors which is one of the requirements of Corporate Governance is under progress at Government level.

A report on Corporate Governance compliances has been made part of the Board's report.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The year under review was the first year of operations and is not mandatory to have CSR activities. The company would initiate the CSR activities from the FY 2020-21.

## **DIVIDEND**

In accordance with the instructions issued by the Gol, Department of Investment and Public Asset Management (DIPAM) vide F. No. 5/2/2016 – Policy dated 27.05.2016, the Board is recommending a dividend of 154% at INR15.40/- per share amounting to INR 1540 Lakhs on the paid up Capital of INR 1000 Lakhs for the Financial Year 2019-20.

## **ACKNOWLEDGEMENT**

It is your support and guidance that motivate us to continue building a valuable national institution, as an “Enterprise of Tomorrow” inspired by our motto's of “Make in India” and “Atmanirbhar Bharat”. I would like to thank our valued shareholders, for your faith and unstinted support as we persevered in this direction.

The Company is privileged to serve several domestic and international customers, from whom we have received enormous goodwill and support.

I take this opportunity to extend my sincere gratitude to the Department of Space and ISRO for their continuous support.

I sincerely thank Department of Public Enterprises (DPE), Director General of Audit (Environment & Scientific Departments) - C&AG, Statutory Auditors, Internal Auditors, Bankers, Legal Advisors, Collaborators, Suppliers and other Agencies and acknowledge their contributions in our achievements.

I am grateful to my colleagues on the Board for their valuable guidance. I also acknowledge immense contribution and dedication of the employees of the Company at all levels.

**(Narayanan G)**  
Chairman and Managing Director



## Vision

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

## Mission

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

## **Board of Directors**

### **Functional/Whole Time Directors**

Sri Narayanan G, Chairman and Managing Director (from 31.01.2020)

Smt Suma Devaki Ram, Chairman and Managing Director (Up to 31.01.2020)

Sri Radhakrishnan Durairaj, Director (Technical and Strategy)

### **Par-time Official/Government Directors:**

Shri Kumaraswamy S, IAS, Joint Secretary, DOS as Ex-officio Director (up to 29.03.2019)

Smt Sandhya Venugopal Sharma, IAS, Joint Secretary, DOS (from 07.02.2020)

### **ISRO Nominee Directors:**

Dr Venkitakrishnan PV, Director, CBPO, ISRO HQ

Smt Anuradha T.K, Director (SATCOM-PO), ISRO HQ (up to 30.04.2020)

Sri Umamaheswaran R, Scientific Secretary, ISRO HQ (from 22.06.2020)

## **Management Team**

- |                                   |  |
|-----------------------------------|--|
| Chairman and Managing Director    | - Shri Narayanan G (from 31.01.2020)     |
|                                   | - Smt Suma Devaki Ram (up to 31.01.2020) |
| Director (Technical and Strategy) | - Shri Radhakrishnan Durairaj            |
| Executive Director                | - Shri Arunachalam A (from 14.06.2019)   |

## **Committees of the Board (As on 08.10.2020)**

### **Audit Committee**

Smt Sandhya Venugopal Sharma – Chairperson

Dr Venkitakrishnan PV

Sri Radhakrishnan Durairaj

### **Remuneration Committee**

Smt Sandhya Venugopal Sharma – Chairperson

Sri Umamaheswaran R

Dr Venkitakrishnan PV

### CSR Committee

Dr Venkitakrishnan PV – Chairman  
Smt Sandhya Venugopal Sharma  
Sri Umamaheswaran R  
Sri Radhakrishnan Durairaj

### Bankers

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

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

### Auditors

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

### Advocates & Solicitors

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

### Company Secretaries

BRKS & Associates



NSIL Corporate Building was inaugurated by Dr. K. Kasturirangan (Former Secretary, DOS/Chairman, ISRO).  
Dr. Sivan, Secretary, DOS/Chairman ISRO & Space Commission and Dr. P S Goel (Former Secretary, Ministry of Earth Sciences)

## DIRECTORS' REPORT

To,  
The Members  
NewSpace India Limited  
Bengaluru

It is indeed a pleasure to present the First Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year 2019-20 (from 6<sup>th</sup> March 2019 to 31<sup>st</sup> March 2020).

### REVIEW OF BUSINESS

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

The Mandates of the company are:

1. Transfer of ISRO's small satellite technology to industry;
2. Manufacture of Small Satellite Launch Vehicle (SSLV) in collaboration with Private Sector;
3. Production of Polar Satellite Launch Vehicle (PSLV) through industry;
4. Production and marketing of space-based services, including launch and space-based applications;
5. Transfer of technology developed by ISRO Centres and constituent institutions of Dept. of Space;
6. Marketing spin-off technologies and products / services emanating out of ISRO's activities;

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

### FINANCIAL SUMMARY / HIGHLIGHTS

The Company started its operations in the first year itself. It had achieved a Turnover of INR 31,644 Lakhs and a Profit of INR 5,129 Lakhs. The highlights are given below:

Particulars	For the Financial Year 19-20 (INR in Lakhs)	For the Financial Year 18-19 (INR in Lakhs)
Domestic Turnover	3,293.18	Not Applicable
Export Turnover	28,351.09	
Other Income	514.87	
Total Revenue	32,159.14	
Total Expenditure	25,302.13	
Profit / (Loss) Before Tax	6,857.01	
Tax	1,727.56	
Profit / (Loss) After Tax	5,129.45	
Proposed Dividend on Equity Shares	1,540.00	
Transfer to General Reserve	NIL	

### DIVIDEND

In accordance with the Office Memorandum issued by the GoI, Department of Investment and Public Asset Management (DIPAM) vide F. No. 5/2/2016 – Policy dated 27.05.2016, the Board is recommending a Dividend of INR 15.40 per share amounting to INR 1540 Lakhs on the paid up Capital of INR 1000 Lakhs for the Financial Year



2019-20 for the approval of the Shareholders. This is exclusive of Dividend Distributions Tax, if any payable. This translates to 30% of Profit After Tax for the year ended 31.03.2020 and 154% of the Paid Up Capital.

## **RESERVES**

The Board is not recommending transfer of profits to General Reserves.

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

There is no change in the nature of business during the period from 6<sup>th</sup> March 2019 to 31<sup>st</sup> March 2020.

## **MATERIAL / SIGNIFICANT CHANGES**

During the FY 2019-20, there was no material or significant changes.

## **ORDERS PASSED BY THE REGULATORS**

NSIL has been categorized as a Schedule 'A' CPSE by Department of Public Enterprises (DPE), vide Office Memorandum No. F.No.9(8) 2019-MGMT, dated 6<sup>th</sup> Feb 2020.

Based on the request by NSIL through advanced ruling application, the Authority for Advance Ruling in Karnataka Goods and Services Tax, vide Advance Ruling No. KAR / ADRG / 19/2020 dated 31.03.2020, passed a ruling that Service of Leasing of Satellite Transponders, covered under SAC997319, is taxable at the rate of 5% IGST or 2.5% of CGST and 2.5% SGST as the case may be.

## **SUBSIDIARY COMPANIES / JOINT VENTURES**

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

## **DEPOSITS**

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

## **LOANS, GUARANTEES & INVESTMENTS**

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

## **INTERNAL FINANCIAL CONTROLS**

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

## **SHARE CAPITAL**

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

The total issued and Paid-Up Capital of the Company as on date is INR 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 equity shares of INR 10/- each fully paid up.

## **OUTSOURCING**

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

## **PROCUREMENT FROM MICRO & SMALL ENTERPRISES (MSES)**

The Company's activities are primarily Marketing of ISRO's space products and services and project management. From the limited scope, the Company made procurement of goods / services from MSEs to the extent of INR 89,16,607.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The year under review was the first year of operations and is not mandatory to have CSR activities. The company would initiate the CSR activities from the FY 2020-21.

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

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

The Disclosure of related party transactions as per AS-18 issued by the Institute of Chartered Accountants of India is given at Note no 8 of the Notes forming part of the Financial Statements for the Financial Year 2019-20.

## **HUMAN RESOURCE DEVELOPMENT**

The operations of the Company were being managed by the executives deputed from DOS / ISRO. During the current financial year 2020-21, the Company would be recruiting the manpower on its payroll. While recruiting, the Company will comply with the rules on reservations.

## **AUDITORS**

C&AG vide letter no. No./CA. V/ COY/CENTRAL GOVERNMENT,NSIL(I)/468 Dated 07/08/2019 appointed M/s. Pal & Shanbhogue, Chartered Accountants, Bangalore as Statutory Auditors of the Company for the year 2019-20.

## **FRAUDS REPORTED BY THE AUDITOR**

No frauds have been reported by the Auditors during the year 2019-20.

## **COMMENTS & EXPLANATIONS ON AUDITOR'S REPORT**

There was no qualification, reservation, adverse remark or disclaimer made by the auditors in their Audit Report for financial year 2019-20.

## **AUDITORS' REPORT**

The Auditors' Report on the Annual Accounts for the financial year 2019-20 and comments of the Comptroller & Auditor General of India under Section 143(6) of the Companies Act, 2013 are appended to this Report.

## **DIRECTORS & BOARD MEETINGS**

The Company was incorporated with the following as First Directors of the Company:

1. Shri. Radhakrishnan Durairaj
2. Smt. Suma Devaki Ram

The following were appointed as Ex-officio Directors at first Board Meeting held on 8<sup>th</sup> March 2020:

- Sri S Kumaraswamy, Joint Secretary, DOS
- Dr PV Venkitakrishnan, Director, CBPO, ISRO-HQ
- Smt TK Anuruadha, Director, SATCOM, ISRO-HQ



*Shri Narayanan G took over charge as CMD from Smt Suma Devaki Ram on 31.01.2020*

The Board at the first Meeting held on 8<sup>th</sup> March 2020 appointed Smt Suma Devaki Ram as Chairman and Managing Director and Shri. Radhakrishnan Durairaj as Executive Director. Further, at the 4<sup>th</sup> Board Meeting held on 23<sup>rd</sup> August 2019, the Board approved the change of designation of Shri. Radhakrishnan Durairaj to Director (Technical & Strategy).

The following changes took place during the period.

- Shri. S Kumaraswamy was transferred and Smt. Sandhya Venugopal Sharma, assumed the position of Joint Secretary, DOS and occupied the position of Ex-Officio Director.
- Smt Suma D R who had superannuated from the services of DOS / ISRO ceased to be Chairman and Managing Director of the Company w.e.f 31<sup>st</sup> January 2020
- Department of Space, vide letter No.A11014/3/2019-I dated January 30, 2020 had nominated Shri Narayanan G as Chairman and Managing Director (CMD) and was appointed as Chairman and Managing Director of the Company w.e.f 31<sup>st</sup> January 2020
- Further, Department of Space, Government of India, vide order No. DS\_5-24011/2/2019-SECTION\_5-DOS dated 7<sup>th</sup> February 2020 appointed the following officials as nominee Directors:
  - Smt. Sandhya Venugopal Sharma, Joint Secretary, DOS: Government Nominee Director
  - Smt. T.K. Anuradha, Director, SATCOM-PO, ISRO-HQ: ISRO Nominee Director
  - Dr. P V Venkitakrishnan, Director, CBPO, ISRO-HQ: ISRO Nominee Director

Accordingly, the Board consists of the following Directors as on 31<sup>st</sup> March 2020:

- Shri Narayanan G – Chairman and Managing Director
- Shri D Radhakrishnan – Director (Technical & Strategy)
- Smt. Sandhya Veugopal Sharma, Joint Secretary, DOS, Government Nominee Director
- Smt. T.K. Anuradha, Director, SATCOM-PO, ISRO-HQ, ISRO Nominee Director
- Dr. P V Venkitakrishnan, Director, CBPO, ISRO-HQ, ISRO Nominee Director

The Board places on record its appreciation of the valuable services rendered by Smt Suma D.R, Smt Anuradha T.K, Shri Kumaraswamy S as Directors of the Company.

## **BOARD MEETINGS**

Six Board meetings have taken place during the year, i.e., on 8<sup>th</sup> March 2019, 22<sup>nd</sup> March 2019, 11<sup>th</sup> April 2019, 23<sup>rd</sup> August 2019, 19<sup>th</sup> December 2019 and 30<sup>th</sup> January 2020.

Sl. No.	Name of the Director	No. of Meetings director was entitled to attend*	No. of Meetings Attended
1	Mr. Radhakrishnan Durairaj	6	6
2	Ms. Suma Devaki Ram	6	6

\* The Company was incorporated on 6<sup>th</sup> March 2019. Ex-officio Directors attendance is not reported here.

## COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

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

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

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

## PARTICULARS OF REMUNERATION OF EMPLOYEES

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

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

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

Foreign Exchange Earnings	in Lakhs		
	FE (USD)	FE (Euro)	Equivalent INR
Technical Services	0.64		45.88
Launch Services	227.04	106.24	24,345.66
Other Services		0.67	51.57
<b>TOTAL</b>	<b>227.68</b>	<b>106.91</b>	<b>24,443.11</b>

Foreign Exchange Outgo	in Lakhs		
	FE (USD)	FE (Euro)	Equivalent INR
Cost of Technical Services	21.18		1,417.62
Other Payments	0.07		4.81
<b>TOTAL</b>	<b>21.25</b>		<b>1,422.43</b>



## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **EXTRACTS OF ANNUAL RETURN**

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form No. **MGT 9** as a part of this Annual Report is enclosed at **Annexure I**.

## **COST RECORDS**

Maintenance of Cost Records is not applicable to the Company.

## **CORPORATE GOVERNANCE**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **SECRETARIAL STANDARDS**

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

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

The company would be setting up the required mechanism to redress the complaints. During the year there were no complaints.

## **IMPLEMENTATION OF OFFICIAL LANGUAGE**

In accordance with the policy guidelines issued by Department of Official Language, Government of India, the Company has been implementing usage of Hindi.

## EVENTS AFTER 31.03.2020

### (a) Risk Management Policy

The Board at its 7<sup>th</sup> Meeting held on 22<sup>nd</sup> June 2020 had approved the Risk Management Policy of the Company.

To enable and facilitate the Board in understanding and effective management of Risks with respect to various business activities of NSIL and considering the existing business activities and the emerging business scenario, where a level playing market field is being created for private companies in the Indian space sector, the risk Management policy of the Company was developed on the following philosophy:

*“Enable growth of Indian Space Ecosystem through informed decisions, adequate due diligence  
in Risk assessment and measures for sustained risk mitigation”*

Initially, the Risk Management Policy will keep the processes flexible to enable the users to adapt to their needs. The Board is provided with information on high risks identified and the plans for mitigation once in every six months. Each business segment will furnish a report on Potential Risks in their business from geopolitical, economic, Government policy, social and market / technology environment for the Board to consider changes in strategies and plans that may be required.

### (b) Changes in the Board

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

### (c) Committees of the Board

The Board at its 7<sup>th</sup> meeting held on 22<sup>nd</sup> June 2020 had constituted the following Committees in compliance with the DPE guidelines on Corporate Governance:

- a. Audit Committee
- b. Remuneration Committee

The Board vide circular Resolution dated 21<sup>st</sup> September 2020 had constituted Corporate Social Responsibility (CSR) Committee.

The details of these Committees are provided in the Corporate Governance Report.

### (d) Revised/ Enhanced Mandate

As part of Reforms in Space Sector, as communicated by DOS vide note dated DS-3P-16011/1/2020 – Sec.3 dated June 30, 2020, Government of India has mandated NSIL to undertake End to End Commercial Space Activities in Satellite and Launch Vehicle Systems. The revised / Enhanced Mandate of NSIL is:

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

## Impact of Covid-19

NSIL business operations were affected due to Covid-19 Pandemic. Activities related to processing of Request for Proposal for production / manufacturing of Polar Satellite Launch Vehicle (PSLV) is delayed due to lock down and restricted movements at various centres of DOS / ISRO. Various customers have expressed difficulties in fulfilling their contractual obligations in terms of signing agreements / MoU, security deposits, making payments, etc. Due to financial adversities, customers have also requested for deferment / waiver of space segment charges (in particular to leasing of transponder capacity). Such requests were referred to the competent authority to which Department has conveyed its approval for deferment of payment for six months period (From April 1, 2020 to Sept 30, 2020) invoking force majeure clause of the Agreement / MoU.

## ACKNOWLEDGEMENTS

The Board acknowledge with thanks the support received from the various Government Departments including Department of Space (DOS) / ISRO while incorporating the Company.

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

The Board acknowledge with deep sense of appreciation the valuable support and cooperation received from the Government of India in particular the DOS, ISRO, DPE for their support in establishing the initial operations of the Company.

The Board wishes to place on record its appreciation for the co-operation extended and services provided by the Director General of Audit (Environment & Scientific Department), C&AG; Statutory Auditors, Bankers, Collaborators and Suppliers.

The Board also wish to place on record their deep sense of appreciation for the committed services by the Company Executives, who are deputed from DOS / ISRO, Staff and Workers for progress and prosperity of the Company.

The Board also acknowledge the support and contribution of the officers and staff members of the Department of Space, including various ISRO Centres which has immensely helped the Company in its successful operations during the year under review.

**On behalf of Board of Directors**  
For NewSpace India Limited

Sd/-

**Narayanan G**

Chairman and Managing Director

Date : 15.12.2020

Place : Bengaluru



*1<sup>st</sup> Annual General Meeting of the Company*

**ANNEXURE – I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	U74999KA2019GOI122175
2	Registration Date	06/03/2019
3	Name of the Company	NEWSPACE INDIA LIMITED
4	Category/Sub-category of the Company	PRIVATE COMPANY
		LIMITED BY SHARES
5	Address of the Registered office & contact details	Room No. F01, HSFC Building ISRO Headquarters, New BEL Road, BANGALORE, Karnataka - 560 094
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Space & Space related activities	99653200	90
2	Engineering services for telecommunication and broadcasting projects	99833254	10

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- NIL**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April 2019] *				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	---	---	---	---	---	---	---	---	--



b) Central Govt.**	---	1,00,00,000	1,00,00,000	100%	---	1,00,00,000	1,00,00,000	100%	NIL
c) State Govt.(s)	NIL								
d) Bodies Corp.	NIL								
e) Banks / FI	NIL								
f) Any other	NIL								
<b>Total shareholding of Promoter (A)(1)</b>	---	1,00,00,000	1,00,00,000	100%	---	1,00,00,000	1,00,00,000	100%	---
<b>(2) Foreign</b>	NIL								
<b>B. Public Shareholding</b>	NIL								
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL								
<b>Grand Total (A+B+C)</b>	---	1,00,00,000	1,00,00,000	100%	---	1,00,00,000	1,00,00,000	100%	---

\* The Company was incorporated on 6<sup>th</sup> March 2019.

\*\* Government of India through President of India and its nominees.

## B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year*			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	Government of India through President of India and its nominees	1,00,00,000	100%	---	1,00,00,000	100%	---	---

\* The Company was incorporated on 6<sup>th</sup> March 2019.

## C) Change in Promoters' Shareholding (please specify, if there is no change): No Change

Sl. No.	Particulars	Shareholding at the beginning of the year*		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	----- No Change -----			
	At the end of the year				

\* The Company was incorporated on 6<sup>th</sup> March 2019.

**D) Shareholding Pattern of top ten Shareholders: NOT APPLICABLE  
(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year*		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the year				

\* The Company was incorporated on 6<sup>th</sup> March 2019.

**E) Shareholding of Directors and Key Managerial Personnel: NIL**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year*		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	Shri S Kumaraswamy, Ex- JS (DOS) transferred 1000 equity shares to Smt. Sandhya Venugopal Sharma, JS (DOS)				
	At the end of the year:				

\* The Company was incorporated on 6<sup>th</sup> March 2019.



## V) INDEBTEDNESS – NIL

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		SUMA D R (CMD upto 31.01.2020)	Narayanan G (CMD from 31.01.2020)	D Radha krishnan	
1	Gross salary	34,57,287	6,59,398	46,74,269	87,90,954
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option				
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	34,57,287	6,59,398	46,74,269	87,90,954
	Ceiling as per the Act	Not Applicable			

**B. Remuneration to other Directors: NIL**

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount	
1	Independent Directors				
	Fee for attending Board Committees meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending Board Committees meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER / WTD: NIL**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit others, specify...				
5	Others, please specify				
	Total				



## VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

On behalf of Board of Directors  
For NewSpace India Limited

Sd/-

**Narayanan G**

Chairman and Managing Director

Date : 15.12.2020

Place : Bengaluru

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY SCENARIO

Globally space industry is becoming highly competitive, across the entire value chain i.e. both upstream (Satellite Building and Launching) and downstream activities (Ground Segment, Space based services and value-added services). Nearly 85-90% of the revenue is from the downstream activities. Satellite Industry is experiencing tectonic shift from Government Space Age to Commercial / Entrepreneurial Space Age. The major focus is to develop cost-effective and flexible solutions for a wide range of space applications.

Technological advancement, new business models and growing interest from private industry and space startups are stimulating the growth of Space Industry across the globe.

Some of the important factors driving the growth of satellite industry includes:

- Satellite platforms are becoming more agile, flexible and robust.
- Emergence of High Throughput Satellites (HTS) and NGSO (Non-Geostationary) constellation are transforming the economics of satellite-based services.
- Competition in the launch services market, technological advancements, cutting-edge manufacturing practices are making low cost access to space, a reality.

### ORGANISATION STRUCTURE

The Company was incorporated on 6<sup>th</sup> March 2019 and being managed by the executives deputed from ISRO / DOS. The Company had received categorization as 'Schedule A' Company from Department of Public Enterprises on 6<sup>th</sup> February 2020.

ISRO / DOS also has initiated the process to appoint the Directors as per the approved Articles of Association of the Company. The Company is also on the process of recruiting the personnel on its own payroll.

Presently, the Company is being managed by the Board Directors consisting of Chairman and Managing Director; Director (Technical & Strategy); One Government Nominee Director and Two ISRO Nominee Directors.

### PRODUCTS AND SERVICES

The Company was incorporated with the primary mandate of commercially exploiting the Research and Development (R&D) activity(ies) carried out by ISRO, in the areas namely (i) transfer of Small Satellite technology to industry; (ii) manufacture of SSLV in collaboration with private sector; (iii) production of Polar Satellite Launch Vehicle (PSLV) through Indian Industry (iv) launch services onboard ISRO Launch Vehicles (v) providing space based services, including satellite based communication, earth observation and mission support services; (vi) transfer of technology developed by ISRO Centres and constituent institutions of DOS (vii) marketing spin-off technologies and products / services.

### BUSINESS ACCOMPLISHMENTS DURING FY 2019- 20

During the year, NSIL has made substantial progress in its business operations and has also initiated new business activities. Some of its business accomplishments are:

- **PSLV production through “Indian industry consortia” approach.**
  - NSIL released Expression of Interest (EoI) for PSLV production through Indian Industry(ies) and received responses. As the next step, release of RFP to the shortlisted parties, is in progress.



*Dr. K Sivan Secretary, DOS/Chairman ISRO chairing the first NSIL Industry Interaction meet held on 17<sup>th</sup> June 2020 at ISRO HQ. About 50 Industrialists participated in the meet.*

- **Launch Services on-board PSLV and SSLV**
  - During this period, NSIL has launched a total of 22 customer satellites on-board PSLV-C47 and PSLV-C48.
  - 15 Launch Service Agreements have been signed for launching customer satellites on-board PSLV and SSLV viz., Three Dedicated Launch Service Agreements and Twelve Co-passenger Launch Service Agreements.
- **SATCOM services**
  - NSIL commenced Transponder leasing business activity in December 2020 and by FY 2019-20, provisioned transponder capacity to Two DTH (Direct to Home) operators and One DSNG (Digital Satellite News Gathering) Operator.
- **Satellite building for international customers**
  - NSIL is keen on venturing into Satellite building for International customers by leveraging of ISRO's expertise and infrastructure. Towards this, NSIL has submitted Techno-Commercial Proposals to International customers, which includes (i) building Communication Satellite and Earth Observation Satellites (ii) providing Satellite Bus Platform (iii) providing Launch Services (iv) establishing of Ground and User Segment
- **Remote Sensing Data and Services**
  - During the year, NSIL has carried out Remote Sensing Consultancy study project for the Government of Karnataka.
- **Mission Support Services**
  - NSIL serves prestigious global satellite owners / operators for Telemetry & Tele-Command (TTC) services using ISRO's ground stations. During the FY 2019-20, NSIL has provided one mission support for tracking the launch vehicle and satellite injection.
- **Technology Transfer & Technical Consultancy Services**
  - NSIL is working out operating mechanisms to enable Transfer of Technology of space products from various ISRO Centres / Units to various Indian Industry partners.
  - Towards Technical consultancy services, NSIL has submitted response to the Expression of Interest to an International Customer towards determining the next / future satellites for their space programme. NSIL has been shortlisted for next stage of the process.

## SWOT ANALYSIS

Company needs to carry out SWOT analysis in order to understand Industry Scenario, 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	<b>28,351.09</b>	<b>3,293.18</b>	<b>31,644.27</b>
Mission Support Services			
Optional Launch Services			
Remote Sensing Services			
Space Segment Charges (Transponder Lease Charges)			

## OUTLOOK

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

## MEASURES TO TACKLE CHALLENGES

While the company sees a bright future for the business areas it has embarked, there are several risks associated with its operations. Two major risks are associated with (1) policy changes and (2) predatory pricing by foreign players. The Company in consultation with Administrative Department has drawn a systematic plan to counter these challenges.

## FINANCIAL PERFORMANCE

The Financial Performance is provided in the Directors Report. This being the First Financial Year, comparative analysis in comparison with previous year does not arise.

## HUMAN RESOURCE DEVELOPMENT

The Company is in the process of recruiting officials in its payroll. The Company's operations are currently being managed by well experienced and trained executives deputed from DOS / ISRO.

## ENVIRONMENT PROTECTION AND CONSERVATION

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



## CORPORATE GOVERNANCE REPORT

### Philosophy

The Company believes that it can sustain the business risks and progress if all the stakeholders are taken care of. To move towards inclusive growth of all the stakeholders, it maintains the principles of transparency, honesty, integrity, accountability, compliance of laws, procedures and meeting ethical standards.

The Company is complying with the Department of Public Enterprises (DPE) Guidelines on Corporate Governance.

The Board presents its report on Corporate Governance for the Financial Year 2019-20.

### Board of Directors

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

- (a) Chairman-cum-Managing Director
- (b) Executive Director
- (c) Director - Finance
- (d) Two Government Directors
- (e) Two ISRO Nominee Directors
- (f) Three Independent Directors

The Company had received the OM for categorisation as Schedule 'A' Company vide F.No.9(8)2019-MGMT dated 06.02.2020

Presently, the Company is being managed by the Board as approved by the Competent Authority at DOS as given below:

- (a) Chairman and Managing Director
- (b) Director (Technical & Strategy)
- (c) One Government Director
- (d) Two ISRO Nominee Directors

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

The Meetings of the Board, Directors attendance and changes took place during the year under review are provided in the Directors Report.

### Audit Committee

The Board at its 7<sup>th</sup> Meeting held on 22<sup>nd</sup> June 2020 had Constituted the Audit Committee with following members:

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

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

### Remuneration Committee

The Board at its 7<sup>th</sup> Meeting held on 22<sup>nd</sup> June 2020 had Constituted the Remuneration Committee with following members:

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

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

### Corporate Social Responsibility (CSR) Committee

The Board vide circular resolution dated 21<sup>st</sup> September 2020 had Constituted the Corporate Social Responsibility (CSR) Committee with following members:

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

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

## Remuneration to the Directors

Details of remuneration of Whole Time Directors during the year 2019-20 are given in the extract of Annual Return.

## Code of Conduct

The Board of Directors approved Code of Conduct for all Board Members and Senior Management of the Company at its 7<sup>th</sup> Meeting held on 22<sup>nd</sup> June 2020. From the Financial Year 2020-21 onwards an affirmation for compliance with the Code of Conduct from all Board Members and Senior Management would be obtained and declaration to that effect would be annexed to this Report.

## CEO/CFO Certification

As per the requirement of DPE Guidelines, the Chief Executive Officer (CEO) certificate has been obtained and placed before the Board.

## Shareholding Pattern

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

## General Meetings

The Financial Year 2019-20 was the First Financial year of operation and hence no Annual General Meeting was held during 2019-20.

The Annual General Meeting for the Financial year 2019-20 was held on:

Day & Date : Tuesday 29<sup>th</sup>, December 2020

Time : 11 hrs

Venue: Board Room ISRO HQ

New BEL Road, Bangalore - 560094

Phone : (080) 2217 2693, Fax: (080) 2351 7222

Email: cmd-nsil@isro.gov.in

Website: www.nsilindia.co.in

## Disclosures

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

During 2019-20, 02 applications were received under the RTI Act, out of which 02 applications were replied to, till 31.03.2020.

**f. Redressal of Public Grievances**

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

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

**g. Presidential Directives:**

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

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

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

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

Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits as permissible under the Rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management during the year 2019-20.

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

CSR Provisions are applicable for the Company from the financial year 2020-21.

**k. Integrity Pact**

The Company would be devising a policy on this and would be complying with the same.

**l. Means of Communications**

The Annual Report of the Company is circulated to the members and others entitled to receive it.

**m. Compliance**

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

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



*Members of NSIL were administered oath by CMD during the Vigilance Awareness week*

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

To,  
The Board of Directors  
NewSpace India Limited

1. We have reviewed financial statements and the cash flow statement of NewSpace India Limited for the year ended 31st March, 2020 and to the best of 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. 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.

Sd/-

**(Narayanan G)**

Chairman and Managing Director



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification No : U74999KA2019GOI122175  
Authorised Capital : INR 100,00,00,000

To,  
The Members  
NewSpace India Limited  
Bangalore

We have examined all the relevant records of NEWSPACE INDIA LIMITED for the year ended 31<sup>st</sup> March, 2020 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, 2020 Subject to the following:

- a. Not appointed the Independent Directors
- b. Not constituted the Committees as required
- c. Not implemented the Risk Management Policy, Policy on Training of Directors, Code of Conduct, whistle Blower Policy

However, as on the date of the Report, the Company complied with the guidelines except for appointment of Independent Directors and implementation of the whistle blower policy.

**for BRKS & Associates**  
Company Secretaries

Sd/-

Date : 08.10.2020  
Place : Bengaluru

**(B Rajeswara Rao)**  
Partner

**Chartered Accountants**  
24, 4th 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, BENGALURU**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of NEWSPACE INDIA LIMITED which comprise the balance sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company, as at March 31, 2020, of its profit for the period from 06 March 2019 to 31 March 2020 and the cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Information other than the financial statements and auditors' report thereon**

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

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

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

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

## Key Audit Matters

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

## Management's Responsibility for the Financial Statements:

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **As required by Section 143(3) of the Act, we report that:**
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

**For Pal and Shanbhogue**

Chartered Accountants

Firm Registration No.: 002528S



Sd/-

**K.R.Shanbhogue**

Partner

Membership No.: 018578

UDIN: 20018578AAAAAY2776

Date: 8th October, 2020

Place of signature: Bengaluru

## ANNEXURE A

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipments (PPE);  
(b) The PPE of the Company have been physically verified by the management at reasonable intervals. As informed to us, no material discrepancies have been noticed on such verification.  
(c) The Company does not have any immovable property.
- (ii) The company does not have any inventories, hence the clause 3 (ii) of the order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the clauses 3 (iii)(a), 3(iii) (b) and 3(iii)(c ) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or made any investment or given any guarantee and security as applicable vide provisions of Section 185 and 186 of the Companies Act, 2013 and hence clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits and hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable. Therefore provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) Central Government has not prescribed the maintenance of cost records under Sec. 148(1) of Companies Act, 2013 for any of the business activities of the Company. Therefore, provisions of clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the books of account and records, the Company is regular in depositing the undisputed statutory dues, including provident fund, state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities wherever applicable. No delay has been observed in the remittance of statutory dues which are outstanding for more than 6 months as at the Balance Sheet date from the date they became payable.  
(b) According to the information and explanation given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax. However, the GST dues as on 31-3-2020 has been deposited before the due date.
- (viii) In our opinion and according to the information and explanation given to us, the Company has neither borrowed any money from financial institution, bank, Government nor has it issued any debentures. Hence, Clause 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Therefore, the provisions of clause (3) (ix) of the Order is not applicable to the Company.
- (x) During the course of our audit, and according to the information and explanation given to us, we have neither noticed any instance of fraud on or by the Company, nor have been informed of such cases by the Management. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
- (xi) As per notification no.GSR 463( E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 regarding managerial remuneration is not applicable to the Government Companies. Accordingly, provisions of paragraph 3(xi) of the Order are not applicable to the Company.

- (xii) In our Opinion, the Company is not a Nidhi Company and hence clause 3(xii) of the order is not applicable.
- (xiii) In our opinion that transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under audit and as such, clause 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them, as covered under Section 192 of the Companies Act, 2013.
- (xvi) In our opinion, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, requiring registration under the said Act are not applicable to the Company.

**For Pal and Shanbhogue**

Chartered Accountants

Firm Registration No.: 002528S

Sd/-

**K.R.Shanbhogue**

Partner

Membership No.: 018578

UDIN: 20018578AAAAAY2776



Date: 08.10.2020

Place of signature: Bengaluru

## ANNEXURE B

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

We have audited the internal financial controls over financial reporting of NEWSPACE INDIA LIMITED, Bangalore as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

### **Opinion**

According to the information and explanations given to us and based on our Audit, the Company has maintained, in all material aspects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

### **For Pal and Shanbhogue**

Chartered Accountants

Firm Registration No.: 002528S

Sd/-

### **K.R.Shanbhogue**

Partner

Membership No.: 018578

UDIN: 20018578AAAAAY2776



Date: 8th October, 2020

Place of signature: Bengaluru

**ANNEXURE-C**  
**TO INDEPENDENT AUDITOR'S REPORT**

Referred to in "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of "NEWSPACE INDIA LIMITED (the Company) for the period ended 31st March 2020.

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	In our opinion and to the best our information and explanations given to us, the company has a system in place to process all the accounting transactions through IT system.
2	Whether there is any restricting of an existing loan or cases or waiver/ write off to debts/ loans/ interest etc., made by a lender to the Company's inability to repay the loans? If yes, the financial impact may be stated.	The Company does not have any loans and hence this clause is not applicable
3	Whether funds received / receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation	The Company has neither received nor has any receivables towards any funds for specific schemes from Central/ State agencies.

**For Pal and Shanbhogue**

Chartered Accountants

Firm Registration No.: 002528S



Sd/-

**K.R.Shanbhogue**

Partner

Membership No.: 018578

UDIN: 20018578AAAAAY2776

Date: 8th October, 2020

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 (NSIL)  
FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of NewSpace India Limited (NSIL) for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 08 October 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of NSIL for the year ended 31 March 2020. 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. On the basis of my audit nothing significant has come to my knowledge which give rise to any comment upon or supplement to statutory auditor's report.

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

Place : NEW DELHI  
Date : 15-12-2020

A handwritten signature in black ink, appearing to be 'V. K. L.', is positioned above the title of the Director General of Audit.

Director General of Audit  
Environment and Scientific Departments



## Balance Sheet as at 31<sup>st</sup> March, 2020

[Amount: INR in Lakhs]

Particulars		Note No	Figures as at the end of current reporting period 31.03.2020
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	3.1	1,000.00
	(b) Reserves and surplus	3.2	5,129.45
			<b>6,129.45</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Deferred Tax liabilities [Net]	7	1.08
			<b>1.08</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Trade payables	3.3	
	(A) Total outstanding dues of micro enterprises and small enterprises; and		2.22
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,234.90
	(b) Other current liabilities	3.4	4,346.19
	(c) Short term provisions	3.5	96.23
			<b>15,679.54</b>
	<b>TOTAL</b>		<b>21,810.07</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant & Equipment		
	(i) Tangible assets	3.6	52.14
	(ii) Intangible assets	3.7	6.18
	(iii) Intangible assets under development	3.8	7.54
	(b) Other non-current assets	3.9	6,213.97
			<b>6,279.83</b>
<b>2</b>	<b>Current assets</b>		
	(a) Trade receivables	3.10	4,481.47
	(b) Cash and bank balances	3.11	6,336.75
	(c) Other current assets	3.12	4,712.02
			<b>15,530.24</b>
	<b>TOTAL</b>		<b>21,810.07</b>
	Significant accounting policies The accompanying notes are an integral part of the financial statements As per of our report of even date attached	<b>2.2</b>	

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

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

Sd/-  
**K.R.Shanbhogue**  
Partner  
ICAI Membership No. 18578  
**Bengaluru**  
Date: 08.10.2020

Sd/-  
**Narayanan Gopalakrishnan**  
Chairman and Managing Director  
DIN: 08686600  
**Bengaluru**  
Date: 08.10.2020

Sd/-  
**Radhakrishnan Durairaj**  
Director  
DIN: 08382973  
**Bengaluru**  
Date: 08.10.2020

## Profit and Loss Statement for the period ended 31-03-2020

[Amount: INR in Lakhs]

Particulars		Note No	Figures for the current reporting period from 06-03-2019 to 31-03-2020
<b>I</b>	Revenue from operations	4.1	31,644.27
<b>II</b>	Other Income	4.2	514.87
<b>III</b>	<b>TOTAL REVENUE (I+II)</b>		<b>32,159.14</b>
<b>IV</b>	<b>Expenses</b>		
	(a) Cost of revenue from operations	4.3	24,995.25
	(b) Employee benefit expenses	4.4	167.49
	(c) Depreciation & amortisation expenses	4.5	10.15
	(d) Other expenses	4.6	129.24
	<b>TOTAL EXPENSES</b>		<b>25,302.13</b>
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		6,857.01
<b>VI</b>	Exceptional items		-
<b>VII</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>6,857.01</b>
<b>VIII</b>	Extraordinary items		-
<b>IX</b>	<b>Profit before tax (VII - VIII)</b>		<b>6,857.01</b>
<b>X</b>	<b>Tax Expense:</b>		
	(1) Current tax		1,726.48
	(2) Deferred tax	6	1.08
<b>XI</b>	<b>Profit/(loss) for the period from continuing operations (VII - VIII)</b>		<b>5,129.45</b>
<b>XII</b>	<b>Profit/(loss) for the period from discontinuing operations</b>		-
<b>XIII</b>	<b>Tax expense of discontinuing operations</b>		-
<b>XIV</b>	<b>Profit/(loss) from discontinuing Operations (after tax) (XII - XIII)</b>		-
<b>XV</b>	<b>Profit/(loss) for the period (XI + XIV)</b>		<b>5,129.45</b>
<b>XVI</b>	<b>Earnings Per Share</b>		
	(1) Basic	5	51.29
	(2) Diluted	5	51.29
	Significant accounting policies	<b>2.2</b>	
	The accompanying notes are an integral part of the financial statements		
	As per of our report of even date attached		

**For M/s Pal and Shanbhogue**

Chartered Accountants  
Firm Regn No: 002528S

Sd/-

**K.R.Shanbhogue**

Partner

ICAI Membership No. 18578

**Bengaluru**

Date: 08.10.2020

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

Sd/-

**Narayanan Gopalakrishnan**

Chairman and Managing Director

DIN: 08686600

**Bengaluru**

Date: 08.10.2020

Sd/-

**Radhakrishnan Durairaj**

Director

DIN: 08382973

**Bengaluru**

Date: 08.10.2020



## Cash flow statement for the period ended 31 March, 2020

[Amount: INR in Lakhs]

Particulars		For the period ended 31st March 2020
<b>A</b>	<b>Cash flow from operating activities</b>	
	Net Profit / (Loss) before tax	6,857.01
	Add: Depreciation and amortization	10.15
	Less: Interest received	(468.07)
	<b>Operating profit before working capital changes</b>	<b>6,399.09</b>
	<b>Changes in working capital</b>	
	(Increase)/Decrease in other Non-current assets	-6,213.97
	(Increase)/Decrease in other current assets	-4,712.02
	(Increase)/Decrease in trade receivables	-4,481.47
	Increase/(Decrease) in trade payables	11,237.12
	Increase/(Decrease) in other current liabilities	4,346.19
	Increase/(Decrease) in short-term provisions	96.23
	<b>Net change in working capital</b>	<b>272.08</b>
	Cash generated from operations	6,671.17
	Less: Direct taxes paid	-1,726.48
	<b>Net Cash from operating activities</b>	<b>4,944.69</b>
	[A]	
<b>B</b>	<b>Cash flow from investing activities</b>	
	Acquisition of fixed assets	-76.01
	Interest received on deposits	468.07
	<b>Net cash from investing activities</b>	<b>392.06</b>
	[B]	
<b>C</b>	<b>Cash flow from financing activities</b>	
	Issue of Shares	1,000.00
	<b>Net cash from financing activities</b>	<b>1,000.00</b>
	[C]	
	<b>Net Increase in cash and cash equivalents during the year [A+ B+ C] =</b>	<b>6,336.75</b>
	[D]	
	Cash and cash equivalents at the beginning of the year	-
	[E]	
	<b>Cash and cash equivalents at the end of the year (D+E) [Refer Note 3.11]</b>	<b>6,336.75</b>
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the AS-3 "Cash Flow Statements" issued by the Companies (Accounting Standards) Rules, 2006.		
The accompanying notes are an integral part of the financial statements as per of our report of even date attached		

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

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

Sd/-  
**K.R.Shanbhogue**  
Partner  
ICAI Membership No. 18578  
**Bengaluru**  
Date: 08.10.2020

Sd/-  
**Narayanan Gopalakrishnan**  
Chairman and Managing Director  
DIN: 08686600  
**Bengaluru**  
Date: 08.10.2020

Sd/-  
**Radhakrishnan Durairaj**  
Director  
DIN: 08382973  
**Bengaluru**  
Date: 08.10.2020

## Notes forming part of the Financial Statements

### Note 1

#### Corporate Information:

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

### Note 2

#### 2.1 Basis of Preparation

##### A Statement of Compliance

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

##### B Use of Estimates and Judgments

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

##### C Cash flow statement

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

## 2.2 Significant Accounting Policies:

### A Revenue Recognition

The Company uses the percentage of completion method using the milestones / stage of completion of activity as agreed in the contract to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion.

#### i) Sales:

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

#### ii) Services

##### a) Launch, Installation, Commissioning and Testing:

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

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

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

##### c) Consultancy

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

#### iii) Composite Contracts

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

#### iv) Other income

##### a) Interest

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

##### b) Royalty

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

##### c) Dividends on investments

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

## **B Foreign Currency Transactions**

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

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are not retranslated.

## **C Property, Plant & Equipment**

### **- Recognition & Measurement**

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

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

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

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

### **- Subsequent Expenditure**

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

## **D Intangible Fixed Assets**

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

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

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

## **E Depreciation & Amortisation**

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

Assets worth less than INR 5,000/- individually have been depreciated fully in the year of purchase.

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

The estimated useful lives of assets are as follows :

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

#### F Inventories

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

#### G Investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage and fees.

Investments maturing within three months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other than temporary diminution in value, determined separately for each individual investment based on management's assessment of recovery and realisation. Current investments are carried at the lower of cost and fair value.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

#### H Trade Receivables

Receivables represent the Company's unconditional right to consideration under the contract. The right to consideration is considered unconditional, if only passage of time is required before payment of that consideration is due.

Debts from the Government departments are generally treated as fully recoverable, and hence the Company does not recognise credit risk of such financial assets. Impairment on account of expected credit loss is being assessed on a case to case basis in respect of dues outstanding for a significant period of time.

## **I Leases**

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

## **J Provisions & Contingencies**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

## **K Trade and other payables**

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

## **L Claims by the company**

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

## **M Taxes on Income**

Taxes on Income comprises current and deferred income tax.

### **Current Tax:**

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred Tax :**

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **N Cash and cash equivalents**

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

#### **O Impairment of Assets**

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

#### **P Contract Modification**

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

### 3] NOTES FORMING PART OF BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2020

#### 3.1 Equity Share capital

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
<b>Authorised capital</b> 10,00,00,000 equity shares of INR 10 each	10,000.00
<b>Issued, subscribed and fully paid up capital</b> 1,00,00,000 equity shares of INR 10 each	1,000.00

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

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020	
	No. of Shares	Amount
<b>Equity Shares of INR 10/- each</b>		
Number of shares outstanding at the beginning of the period	1,00,00,000	1,000.00
<b>Less: Number of Shares bought back during the period</b>	-	-
<b>Add: Number of shares issued during the period</b>	-	-
Number of shares outstanding at the end of the period	1,00,00,000	1,000.00

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

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020	
	No. of Shares	% of holding
<b>Equity Shares</b>		
Government of India through President of India and its nominees	1,00,00,000	100.00
	1,00,00,000	100.00

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

3.1 (d) Subject to Articles of Association of the Company, all the rights (including voting right of one vote per Equity Share held), all preferences and restrictions (including restriction on transfer of Equity Shares) are vested with the Board of Directors. Dividend proposed by Board is subject to declaration at Annual General Meeting. 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 Department of Investment & Public Asset Management (DIPAM) Guidelines and the repayment of capital is as per the provision of the Companies Act, 2013

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

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

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

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

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

### 3.2 Reserves and surplus

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>	-
Balance at the beginning of the reporting period	
Add: Transfer of Profit for the period	5,129.45
Balance at the end of the reporting period	<b>5,129.45</b>

### 3.3 Trade payables

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
(i) Dues to Micro, Small or Medium Enterprises (MSME)	2.22
(ii) Dues to creditors other than MSME	11,234.90
	<b>11,237.12</b>
<b>Additional details :</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:	
Particulars	
(1) Principal Amount due and remaining unpaid	2.22
(2) Interest due on (1) above and the unpaid interest	-
(3) Interest paid on all delayed payments under MSMED Act	-
(4) Payment made beyond the appointed day during the year	-
(5) Interest due and payable for the period of delay other than (3) above	-
(6) Interest accrued and remaining unpaid	-
(7) The amount of further interest remaining due and payable even in the succeeding years, until such date which the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-

### 3.4 Other current liabilities

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Advances from Customers	
- Towards Export Sales	19.38
- Towards Space Segment Charges	150.88
- Towards Domestic Sales	13.62
Corporate Credit Card	0.52
Dues in relation to Salary	72.32
ICRD [INSAT Capacity Reservation Deposit]	8.25
Statutory Liabilities	4,078.18
Other liabilities	3.04
	<b>4,346.19</b>

### 3.5 Short term provisions

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Others	
Provision for Income Tax	96.23
	<b>96.23</b>

### 3.6 Property, plant and equipment

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Building	10.31
Furniture and Fixures	16.83
Computers and Peripherals	15.64
Office Equipments	7.54
Communication Systems	1.82
	<b>52.14</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.	

### 3.7 Intangible assets

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Computer Software (Oracle)	6.18
	<b>6.18</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.	

### 3.8 Intangible assets under development

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Software (for Online Customer Portal)	7.54
	<b>7.54</b>

### 3.9 Other non-current assets

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Deposits held as margin money against guarantees issued	6,192.97
Deposits held as guarantee towards corporate cards	21.00
	<b>6,213.97</b>

### 3.10 Trade receivables

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
a. Trade receivables outstanding for a period not exceeding six months	
- Secured, considered good	451.54
- Unsecured, considered good	3,977.06
b. Trade receivables outstanding for a period exceeding six months	
- Unsecured, considered good	52.87
	<b>4,481.47</b>

### 3.11 Cash and cash equivalents

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
<b>a) Cash and cash equivalents</b>	
i) Balances with banks In Current Accounts	614.18
ii) Imprest Cash with Employee	0.14
<b>b) Other bank balances</b>	
In Deposits with maturity more than 3 but less than or equal to 12 months	5,722.43
	<b>6,336.75</b>

### 3.12 Other current assets

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Accrued interest on deposits with banks	312.51
Balances with Government authorities	
- Indirect tax assets	4,219.16
Prepaid expenses	180.35
	<b>4,712.02</b>

#### 4.1 Revenue From Operations

[Amount: INR in Lakhs]

Particulars		Figures for the current reporting period from 06-03-2019 to 31-03-2020
<b>A. Sale of Services</b>		
<b>(i) Exports</b>		
Launch Services		28,253.96
Mission Support Services		39.01
Optional Launch Services		58.12
		<b>28,351.09</b>
<b>(ii) Domestic</b>	<b>7.77</b>	
Space Segment Charges- INSAT/GSAT	(6.99)	0.78
Less: Share of Revenue towards DOS		
Space Segment Charges- Foreign Satellite		3,024.40
Launch Services -Domestic		130.00
Remote Sensing Services		138.00
		<b>3,293.18</b>
<b>Total Revenue from operations</b>		<b>31,644.27</b>
No Excise duty is incurred by the Company as its products and services do not attract Excise duty.		

#### 4.2 Other income

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
Interest income on deposits with banks	<b>468.07</b>
Application fee Receipts	1.51
Net Gain on foreign currency translations	45.29
	<b>514.87</b>

#### 4.3 Cost of revenue from operations

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
<b>A) Cost of Services</b>	
<b>i) Exports</b>	
Launch services	22,502.98
Mission support services	29.99
Optional Launch Services	9.49
<b>Total (i)</b>	<b>22,542.46</b>
<b>ii) Domestic</b>	
Launch services	104.00
Space Segment Charges	2,238.74
Remote Sensing Services	110.05
<b>Total (ii)</b>	<b>2,452.79</b>
<b>Total cost of revenue from operations</b>	<b>24,995.25</b>

#### 4.4 Employee Benefit Expenses

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
Remuneration to Chairman and Managing Director	41.58
Remuneration to Director	46.74
Remuneration to Others	79.17
	<b>167.49</b>

#### 4.5 Depreciation and amortization expenses

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
Depreciation on Property, plant and equipment	9.85
Amortization on Intangible assets	0.30
	<b>10.15</b>

#### 4.6 Other expenses

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
Advertisement and publicity	25.97
Bank guarantee and LC charges	29.28
Communication charges	0.83
Consultancy, legal and professional charges	15.50
Payment to Auditors [Refer Note 4.6A]	0.50
Finance cost	1.54
Foreign exchange fluctuation- others	0.10
Interest on Income tax	7.10
Miscellaneous expenses	0.47
Office expenses	12.07
Printing and stationery	2.88
Rates and taxes	0.30
Rental charges	0.89
Registration expenses	1.07
Seminar, meeting and event expenses	3.23
Subscription charges	4.13
Training Fee	0.64
Travel and accomodation charges	15.59
Website maintenance	7.15
	<b>129.24</b>

#### 4.6A Payment to Auditors

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
-As Auditor	0.50
	<b>0.50</b>

## 5 Earnings Per Share [EPS]

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
a) Profit attributable to equity share holders	5,129
b) Weighted average number of shares (Nos.)	1,00,00,000
<b>c) Earnings per share - Basic and Diluted (in INR)</b>	<b>51.29</b>
<b>d) Nominal value per share [in INR]</b>	<b>10</b>
<p>Basic earnings per equity share is computed by dividing the profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.</p> <p>Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The Company did not have any potentially dilutive securities.</p>	

## 6 Deferred Tax

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
<b>Tax effect of items constituting deferred tax assets</b>	-
On difference between book balance and tax balance of PPE	-
Temporary Disallowances under Income Tax Act, 1961	-
Unabsorbed Losses Carried forward as per Income Tax Act, 1961	-
	-
<b>Tax effect of items constituting deferred tax liability</b>	-
On difference between book balance and tax balance of PPE	1.08
	1.08
<b>Deferred Tax Asset/(liability) as on 31<sup>st</sup> March 2020</b>	<b>-1.08</b>
Opening Balance of Deferred Tax Asset/(Liability)	
<b>Amount to be recognised in Profit and Loss Account</b>	<b>-1.08</b>
<p>* The tax rate for the Financial Year 2019-20 considered for deferred tax purposes is 25.168%</p> <p>Deferred Tax Liability is due to the difference in the depreciation on Property, Plant and Equipment, Intangible assets between Companies Act and Income Tax Act.</p>	

## Other notes forming parts of the Financial Statements

### 7 Contingent Liabilities and Commitments

[Amount: INR in Lakhs]

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

### 8.1 Related Party Disclosure :

- Newspace India Limited is a wholly owned Government of India Company under the administrative control of Department of Space, Government of India.
- The Workforce of the company are from ISRO on working arrangement basis. The salary expenditure incurred by ISRO for such workforce are reimbursed to them at actuals. Payment towards retirement benefits in respect of them are borne by ISRO.
- The Key Managerial Personnel as per Accounting Standard 18 "Related Party Disclosures" are Shri Narayanan G, Chairman and Managing Director from 31.01.2020 and Smt Suma D.R (up to 31.01.2020) and Shri Radhakrishnan D, Director. There are no transactions with such parties during the period other than reimbursement of their remunerations and employees benefits to Indian Space Research Organisation (ISRO).

Name of the related party	Relation
1) Department of Space	Wholly Owned Company
2) Indian Space Research Organization	A wing under the administrative control of Department of Space
3) Key Managerial Personnel	
a) Shri Narayanan G	Chairman and Managing Director (from 31-01-2020)
b) Smt. Suma D.R	Chairman-cum-Managing Director (from 06-03-2019 to 31-01-2020)
c) Radhakrishnan D	Director

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

**Transactions with the Related party:**

[Amount: INR in Lakhs]

Particulars	Figures for the current reporting period from 06-03-2019 to 31-03-2020
<b>Department of Space [DOS]</b>	
Revenue from services rendered during the year	-
Cost incurred towards services during the year	22,703.11
<b>Indian Space Research Organization [ISRO]</b>	
Remuneration to Key Managerial Personnel	88.32
Remuneration to Others	79.17

**Outstanding balances to related party**

[Amount: INR in Lakhs]

Particulars	Figures as at the end of current reporting period 31.03.2020
Due to Department of Space, Government of India	7,713.89
Due to Indian Space Research Organization	72.32

**8.2** The Company has requested confirmation of balance as on 31<sup>st</sup> March 2020 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 due to non-confirmation of balances.

The confirmation of balance from Department of Space, Government of India as on 31<sup>st</sup> March 2020 have not been obtained. In the opinion of the Management, such non-confirmation does not have any material impact on the profit for the year.

**8.3** Provision relating to Corporate Social Responsibility activities are not applicable to the Company for the current reporting period

**8.4 Proposed Dividend:**

[Amount: INR in Lakhs]

Particulars	
(a) The amount of Dividend proposed to be distributed to Equity Shareholders for the period	INR 1,540 Lakhs
(b) Dividend per share	INR 15.40

**8.5** 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(ii)(a)(1) Raw materials under broad heads; 5(ii)(a)(2) goods purchased under broad heads; 5(ii)(e); 5(iii) works-in-progress; 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;

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

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;

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, know-how, professional and consultation fees, III.Interest and dividend, IV. Other income, indicating the nature thereof.

**8.6** 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

**8.7** 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	45.29	Cr	Credited to Other Income

**8.8** The Company has maintained fixed deposits amounting to INR 6,192.97 Lakhs as security against Bank Guarantees issued by State Bank of India for an amount of INR 48.85 Lakhs & Euro 75,00,000 equivalent to INR 6,003.60 Lakhs. The Company is earning interest at card rates on such fixed deposits. At present, there is no incident of "Provision" as defined in Accounting Standards and accordingly disclosure does not arise. In addition, fixed deposit of INR 21 Lakhs at ICICI Bank Limited is maintained as guarantee towards security for Corporate Credit Cards.

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

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

**8.10** Disclosure under Accounting Standard 26: Intangible Assets

a	Class of Intangible Assets	Computer Software
b	Nature of Intangible Assets	Purchase of Computers software, software under development
c	Useful lives or the amortisation rates used	3 years from the date of purchase of software available for use and 5 years for software under development from the date of acceptance
d	Amortisation methods used	Straight Line Method
e	Gross carrying amount	INR 14.03 Lakhs
f	Accumulated amortisation	INR 0.30 Lakhs
g	Accumulated impairment losses at the beginning and end of the period	NIL
h	Reconciliation of the carrying amount at the beginning and end of the period	As furnished in the Annexure to Note 3.7
i	Additions, indicating separately those from internal development and through amalgamation	Bought out Software of INR 6.48 Lakhs and Software underdevelopment through a supplier INR 7.55 Lakhs
j	Retirements and disposals	NIL
k	Impairment losses recognised in the Statement of Profit and Loss during the period (if any)	NIL
l	Impairment losses reversed in the Statement of Profit and Loss during the period (if any)	NIL
m	Amortisation recognized during the period	INR 0.30 Lakhs
n	Other changes in the carrying amount during the year	NIL

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

The global pandemic identified as COVID-19 has spread its impact on Indian geographies too towards the end of the financial year. In response, the government initiated many measures such as lockdowns while hygiene practices, social distancing, changes in social greeting have been new norms.

The Company too underwent lockdown and has prepared for starting business operation subsequent to the Balance sheet date. Company is monitoring the developments in society and economy closely and continuously, identifying immediate and long term challenges, opportunities and growth drivers arising from the present condition and developing effectiveness response plans and strategies.

The Company has reviewed the Financial statements more specifically at this stage in the light of these developments and concluded that no adjustment is needed for carrying value of any of the assets.

**8.12** These are the first Financial Statements prepared after incorporation of the company. Hence, figures as at the end of the previous reporting period is not provided.

**8.13** Figures have been rounded off to the nearest lakhs

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

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

Sd/-  
**K.R.Shanbhogue**  
Partner  
ICAI Membership No. 18578  
**Bengaluru**  
Date: 08.10.2020

Sd/-  
**Narayanan Gopalakrishnan**  
Chairman and Managing Director  
DIN: 08686600  
**Bengaluru**  
Date: 08.10.2020

Sd/-  
**Radhakrishnan Durairaj**  
Director  
DIN: 08382973  
**Bengaluru**  
Date: 08.10.2020



*NSIL paid a dividend of 154% for the first year of its operations (2019-20)  
The photograph shows CMD and Director of NSIL handing over the Dividend Receipt to Secretary, DOS*

**Note on Property, plant & Equipment**

[Amount: INR in Lakhs]

3.6 TANGIBLE ASSETS						
Particulars	Gross Block			Depreciation		Net carrying Amount as on 31.03.20
	As on 31.03.19	Addition during the year	As on 31.03.20	Upto 31.03.19	For the year	
<b>Building</b>						
Buildings - Temporary Structures	-	11.10	11.10	-	1.65	9.46
Buildings - Electrical Systems	-	0.13	0.13	-	0.01	0.12
Buildings - Interiors	-	0.93	0.93	-	0.20	0.73
<b>Sub Total</b>	-	<b>12.17</b>	<b>12.17</b>	-	<b>1.85</b>	<b>10.31</b>
Furniture and Fixtures	-	18.28	18.28	-	1.46	16.83
Computers and Peripherals	-	20.53	20.53	-	4.89	15.64
Office Equipments	-	8.78	8.78	-	1.24	7.54
Communication Systems	-	2.24	2.24	-	0.42	1.82
<b>TANGIBLE ASSETS -TOTAL</b>		<b>61.99</b>	<b>61.99</b>	-	<b>9.85</b>	<b>52.14</b>

3.7 INTANGIBLE ASSETS						
Particulars	Gross Block			Amortization		Net carrying Amount as on 31.03.20
	As on 31.03.19	Addition during the year	As on 31.03.20	Upto 31.03.19	For the year	
Computer Software (Oracle)	-	6.48	6.48	-	0.30	6.18
<b>INTANGIBLE ASSETS -TOTAL</b>	-	<b>6.48</b>	<b>6.48</b>	-	<b>0.30</b>	<b>6.18</b>

3.8 INTANGIBLE ASSETS UNDER DEVELOPMENT						
Particulars	Gross Block			Amortization		Net carrying Amount as on 31.03.20
	As on 31.03.19	Addition during the year	As on 31.03.20	Upto 31.03.19	For the year	
Software (for Online Customer Portal)	-	7.55	7.55	-	-	7.55
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT -TOTAL</b>	-	<b>7.55</b>	<b>7.55</b>	-	-	<b>7.55</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 1<sup>st</sup> April, 2015, component accounting is implemented during the year for Building and such components are furnished under broad head of Building.



NewSpace India Limited (NSIL)  
A CPSE under DOS



**NewSpace India Limited (NSIL)**

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

**REGISTERED OFFICE:** Room No. F01, HSFC Building, ISRO HQ, New BEL Road, Bengaluru - 560 094

**CORPORATE OFFICE:** ISRO HQ Campus, New BEL Road, Bengaluru- 560 094

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**GSTIN: 29AAGCN4411P1Z1**