

Antrix Corporation Limited

Annual Report
2012-2013



ANTRIX CORPORATION LIMITED



BOARD OF DIRECTORS

Dr. V.S. Hegde
Dr. V.K. Dadhwal
Shri S. Srinivasan (upto 26.11.2012)
Shri P.S. Veeraraghavan (upto 26.11.2012)
Shri S.K. Shiva Kumar (from 24.8.2012 to 8.11.2012)
Shri A. Vijay Anand (from 22.11.2012)
Shri P.J. Mathew (from 22.11.2012)
Shri V. Koteswara Rao (from 22.11.2012)
Shri John P. Zachariah (from 22.11.2012)
Shri E. Vasantha (from 22.11.2012)
Shri S. Parameswaran (from 22.11.2012)
Shri Ratan Tata (upto 7.6.2013)
Shri Jamshyd Godrej (upto 11.5.2013)
Shri Arun Balakrishnan (from 10.6.2013)
Shri Y.S. Mayya (from 10.6.2013)
Prof. Devang V. Khakhar (from 10.6.2013)
Prof. J. Ramachandran (from 10.6.2013)

MANAGEMENT TEAM

Chairman-cum-Managing Director
Executive Director & Director (Business Development)
Director (Special Projects)
Director (Technology & Services)
Director (Launch Services & Missions)
Dy. Director (Remote Sensing Data & Services)
Sr. Head Accounts & IFA

Dr. V.S. Hegde
Shri S. Parameswaran
Smt. Geetha Varadan
Smt. T.S. Shoba
Shri D. Radhakrishnan (from 26.11.2012)
Shri P.M. Balamaniavelu (upto 17.01.2013)
Shri G. Alagesan

STATUTORY AUDITORS

M/s. Gnanoba & Bhat
Chartered Accountants
1st Floor, Annamalai Arcade
No. 45, 1st Cross, Wilson Garden
Hosur Main Road
Bangalore 560 027

BANKERS

Canara Bank
RMV Extn. Branch
Bangalore 560 080
State Bank of India
Dollar Colony Branch
Bangalore 560 054

REGISTERED OFFICE

Antariksh Bhavan
Near New BEL Road
Bangalore 560 231

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DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended 31st March, 2013.

PERFORMANCE HIGHLIGHTS

During the year under review, your Company has been able to sustain its performance despite severe competition and pressures. The performance during the year has shown an increasing trend over the previous year. The Company's income during the year was ₹ 1,295.28 Crores signifying an increase of about 9% as compared to last year. The profit after tax was ₹ 177.07 Crores during the year. As the commercial arm/ corporate front of Indian Space Research Organisation (ISRO), your Company has been engaged in bringing space technology for the welfare of people and has been making significant contributions towards economic well being and development of our Nation. The focused activities of the Company pertain to contributing towards connectivity and information for enriching the life of human beings. Your Company is confident of sustaining its performance in the future years also.

IRS RELATED ACTIVITIES

Your Company has been actively marketing satellite data products and downlink services of Indian Remote Sensing (IRS) constellation meeting earth observation data requirement for international clientele.

Currently your Company is offering satellite data sales and services from Resourcesat-1, Cartosat-1, Cartosat-2, Oceansat-2 and Resourcesat-2 satellites. Data from Resourcesat-2 satellite is in demand for continuity of services to the already established customers of Resourcesat-1 satellite. The market has been effectively developed for Resourcesat-2 data products and services and there are many customers lined up. Radar Imaging Satellite (RISAT-1) is gaining popularity among users and marketing of RISAT-1 data and services is being taken up with existing customers as well as with new customers.

The IRS constellation has been accepted globally as a reliable source of earth observation data, with assured continuity being its main forte. The diverse

range of data products has also contributed to its popularity. Requests for setting up new international ground stations have also been forthcoming.

LAUNCH SERVICES

One of the major International Customer Satellite mission taken up by your Company during the period was the successful launch of SPOT-6 satellite belonging to ASTRUM, France. SPOT-6 satellite weighing 712 kg was successfully launched as a Main Mission in the Polar Satellite Launch Vehicle (PSLV) in PSLV-C21 flight on September 9, 2012. Along with SPOT-6, one more nano satellite named PROITERES (weighing 15 kg), belonging to Osaka Institute of Technology (OIT), Japan was also successfully launched.

Subsequently on February 25, 2013, SIX International Customer Satellites viz. SAPPHERE of MDA, Canada; NEOSSAT of Microsat Systems, Canada; NLS 8.1 and NLS 8.2 of Austria; NLS 8.3 of Denmark and STRAND-1 of UK, were successfully launched in the PSLV-C20 mission.

In summary, during the year 2012-13, a total of 8 International Customer Satellites were successfully launched by Antrix.

SATELLITE MISSION SUPPORT SERVICES

Your company has continued to serve prestigious global customers for Telemetry, Tracking and Command (TTC) and other associated services.

As part of the agreement entered into with INTELSAT for providing Transfer Orbit Support Services (TOSS) and other on orbit services, your Company readily supported a number of international missions. Ka band Earth Station at MCF, Hassan was used to support the mission operations of Echostar XVII satellite. The Ku band Earth Station at MCF was used to provide TOSS support for W6A satellite at 21.5 degree east. W6A is a Ku band communication satellite, owned by Eutelsat for providing services across Europe and for regional coverage of North Africa and the Middle East.

The ground stations at ISTRAC centers were also used to provide Telemetry, Tracking and Command (TTC) support for KSAT mission. Your Company looks forward to providing TTC and other associated services for international operators and space

agencies using the technical expertise available at MCF and ISTRAC.

SATELLITE SYSTEMS

Your Company has been marketing satellite platforms and subsystems, whose heritage have been well established. Your Company provided sensor grade solar cells to academic institution for sensor development and has received order for supply of sun sensors (4PI) for German Space Programme.

TELECOM TRANSPONDER SERVICES

Due to increasing demand for satellite capacity despite global economic challenges, Satellite Transponder services continue to drive growth in the satellite industry. Your Company has also noticed significant contribution from this segment and the revenue from this segment has increased by 6% over the previous year. The registered growth is driven by a steady increase in DTH services, broadband Internet services, data services and mobile telephony, HITS, HDTV and government expenditure on positioning systems, military satellite navigation and space exploration.

During the year, the Company has signed revised agreements and MOUs – as vetted by Ministry of Law and Justice with all customers on INSAT satellites. The in orbit capacity has been enhanced with addition of GSAT 10 spacecraft located at 83 degree East.

Your Company has compiled a database, by the means of global public tender, for the requirement of Department, identifying the potential vendors, satellites with suitable capacity for service over India, time period of availability and associated financials.

Your Company is expecting revenue growth from steadily growing transponder demand, driven by increase in number of TV channels in India, fuelled by strong growth of the Indian television industry over the coming years.

EXCHANGE OF VISITS

Exchange of visits has taken place during the year as in the past. These have helped in strengthening the existing tie-ups and also in forging new relationships for mutual benefit. Your Company is hopeful of increasing their business opportunities in the years to come.

FINANCIAL RESULTS

Financial Results	For the year ended 31.03.13 (₹ in Lakhs)	For the year ended 31.03.12 (₹ in Lakhs)
Total Income	1,29,528.21	1,18,060.84
Total Expenditure	(104,015.74)	(93,568.89)
Profit before Depreciation and Tax	25,512.47	24,491.95
Less: Depreciation and amortisation expenses	(117.84)	(9.69)
Less: Provision for Taxation	(7,725.05)	(7,502.45)
Add: Deferred Tax	37.41	118.56
Short/Excess provision for Income Tax in earlier years	–	–
Current year surplus	17,706.99	17,098.37
Add: Previous year surplus	3.57	40.01
Profit available for appropriation	17,710.56	17,138.38
Transfer to General Reserves	13,560.00	13,160.00
Proposed Dividend	3,542.00	3,420.00
Corporate Dividend Tax	601.97	554.81
Surplus in P&L A/C carried to Balance Sheet	6.59	3.57
Total of appropriation	17,710.56	17,138.38

DIVIDEND

In accordance with the instructions issued by the Government of India vide Office Memorandum No.F/1(16)-EII (A) dated 17/9/96, No.F.19(1)-E-II (A)/98 dated 20/8/98 and No.F3 (2)-B (S)/2001 dated 13/6/2001 and DO No.3(67)-B(S)/2002 dated 09/09/2002 of the Ministry of Finance (Department of Economic Affairs), DO No. 3(2) B/S/2003 dated 17/06/2004 of the Department of Expenditure, Ministry of Finance, Government of India and D.O. letter No.3(3)-B(S)/2005 dated May 19, 2005 of Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, Your Directors are pleased to recommend a dividend of 3542% on the paid-up equity share capital of ₹ 100 lakhs (previous year 3420%). This represents 20% of the post-tax profits for the year ended 31st March, 2013.

FUTURE OUTLOOK

The growth outlook for the current fiscal is projected to be around 6.1%. The Government is taking various measures and also is announcing several initiatives to revive the economy and boost investors' confidence. Exports are projected to strengthen during the coming year and thereby boost the growth of the economy. It is envisaged that investment in education, health and infrastructure would be the key to growth. Your Company foresees great potential for development especially in the areas such as value added services, launch services for foreign satellites, product development etc. All these augur well and your Company hopes to improve the performance significantly in the foreseeable future.

DIRECTORS

Shri S.K. Shivakumar, Director, ISAC was appointed as Director with effect from August 24, 2012. Shri A. Vijay Anand, Joint Secretary, DOS, Shri V. Koteswara Rao, Scientific Secretary, ISRO, Shri P.J. Mathew, Joint Secretary (Finance), DOS, Shri John P. Zachariah, Director (R&D), VSSC and Shri E. Vasantha, Dy. Director, ISAC were appointed as Directors with effect from November 22, 2012. Shri S. Parameswaran was appointed as whole-time Executive Director with effect from November 22, 2012.

Shri S.K. Shivakumar ceased to be Director with effect from November, 8, 2012. Shri S. Srinivasan and Shri P.S. Veeraraghavan ceased to be Directors with effect from November 26, 2012. Shri Jamshyd Godrej ceased to be Director with effect from May 11, 2013. Shri Ratan Tata ceased to be Director with effect from June 7, 2013.

The Board places on record its appreciation of the valuable services rendered by Shri S.K. Shivakumar, Shri S. Srinivasan, Shri P.S. Veeraraghavan, Shri Jamshyd Godrej and Shri Ratan Tata.

The Government of India has appointed Shri Arun Balakrishnan, Shri Y.S. Mayya, Prof. Devang Khakhar and Prof. J. Ramachandran as independent Directors on the Antrix Board and they have been co-opted with effect from June 10, 2013.

PARTICIPATION IN EXHIBITIONS

During the year, your Company in association with the Confederation of Indian Industry, organized Bengaluru Space Expo 2012 from September 12 to 15, 2012. The event witnessed the participation of several leading players in the Space industry, both in India and abroad.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the annual accounts for the financial year ended 31.3.2013, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a "Going Concern" basis.

CORPORATE GOVERNANCE

Your Company has been following applicable corporate governance practices as prescribed by the Government of India.

AUDITORS

The Comptroller and Auditor General of India vide letter No.CA.V/COY/Central Govt. Antrix (1) (102) dated July 30, 2012 appointed M/s. Gnanoba and Bhat, Chartered Accountants, Bangalore as Statutory Auditors to conduct audit of the annual accounts of the Company for the year ended 31st March, 2013. Their report dated June 26, 2013 is enclosed. The comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 for the year ended 31st March, 2013 vide letter No. 144-PDCA/MAB-IV/Annual A/cs/Antrix/2013-14/1053 dated 13th September, 2013 is enclosed. The Comptroller and Auditor General of India vide letter No.CA.V/COY/CENTRAL Government, Antrix (1)/21 dated July 29, 2013 has appointed M/s. Gnanoba and Bhat, Chartered Accountants, Bangalore as Statutory Auditors of the Company for the financial year 2013-14.

SECRETARIAL COMPLIANCE CERTIFICATE

The Secretarial Compliance Certificate pursuant to the provisions of Section 383A of the Companies Act, 1956, with regard to compliance with the provisions of the Companies Act, 1956, signed by Shri V. Padmanabhan, Company Secretary in Practice, is annexed hereto and forms an integral part of this Report.

FIXED DEPOSITS

Your Company has not invited or accepted any deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES

No employee was in receipt, either during the year or part thereof, of remuneration above the limits specified in Section 217 (2A) of the Companies Act, 1956 as amended from time to time.

RESERVATION

During the year under review, the status of representation of persons belonging to scheduled castes, scheduled tribes, other backward classes and physically challenged was one. The total strength of employees in Group A (Technical), Group A (Administrative) and Group C (Administrative) were 3, 6 and 2 respectively.

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

The information required to be furnished under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy and Technology Absorption is NIL, as the Company has not directly consumed any energy or imported any foreign technology.

IMPLEMENTATION OF OFFICIAL LANGUAGE

In accordance with the policy guidelines of the Government of India, the Company has been implementing use of the official language at all levels.

During the year, the OLIC (Official Language Implementation Committee) was reconstituted and the new Committee met to chalk out the policy. During the year, the competent authorities inspected the progress with regard to Hindi implementation in the Company. The Company participated in two workshops and training sessions which enabled the employees to acquire the necessary skills and thereby helped in promoting usage of the official language.

**FOREIGN EXCHANGE EARNINGS AND OUTGO (ACTUALS) FOR THE YEAR ENDED 31ST MARCH 2013
ARE AS FOLLOWS:**

Foreign Exchange Earnings	Amount in Lakhs (₹)	Amount in FE	
a) On a/c of Exports	76.78	USD	1,44,233.76
		Euro	1,89,525.77
b) On a/c of other services	11,080.23	USD	38,46,151.17
		Euro	1,29,07,101.24
Total	11,157.01		
Foreign Exchange Outgo	Amount in Lakhs (₹)	Amount in FE	
a) On a/c of Travel	7.13	USD	6,230.00
		Euro	1,730.00
		AUD	4,180.00
b) On a/c of cost of imports	178.48	USD	3,28,788.00
c) On a/c of cost of Technical Consultancy	49,121.35	USD	9,33,80,540.64
d) On a/c of cost of other services	79.88	USD	1,52,725.46
Total	49,386.84		

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the support received from the customers and other users of its products and services and look forward to their continued support in the coming years. Your Directors also acknowledge the co-operation and support received from other Government Departments and agencies, bankers and industries.

Your Directors also place on record their appreciation of the whole-hearted support and contribution of the officers and staff members of the Department of Space, various ISRO Centres and your Company

which have greatly helped the Company in its successful performance during the year under review.

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

Sd/-

(V.S. Hegde)

Chairman-cum-Managing Director

Place: Bangalore

Date: 13.09.2013

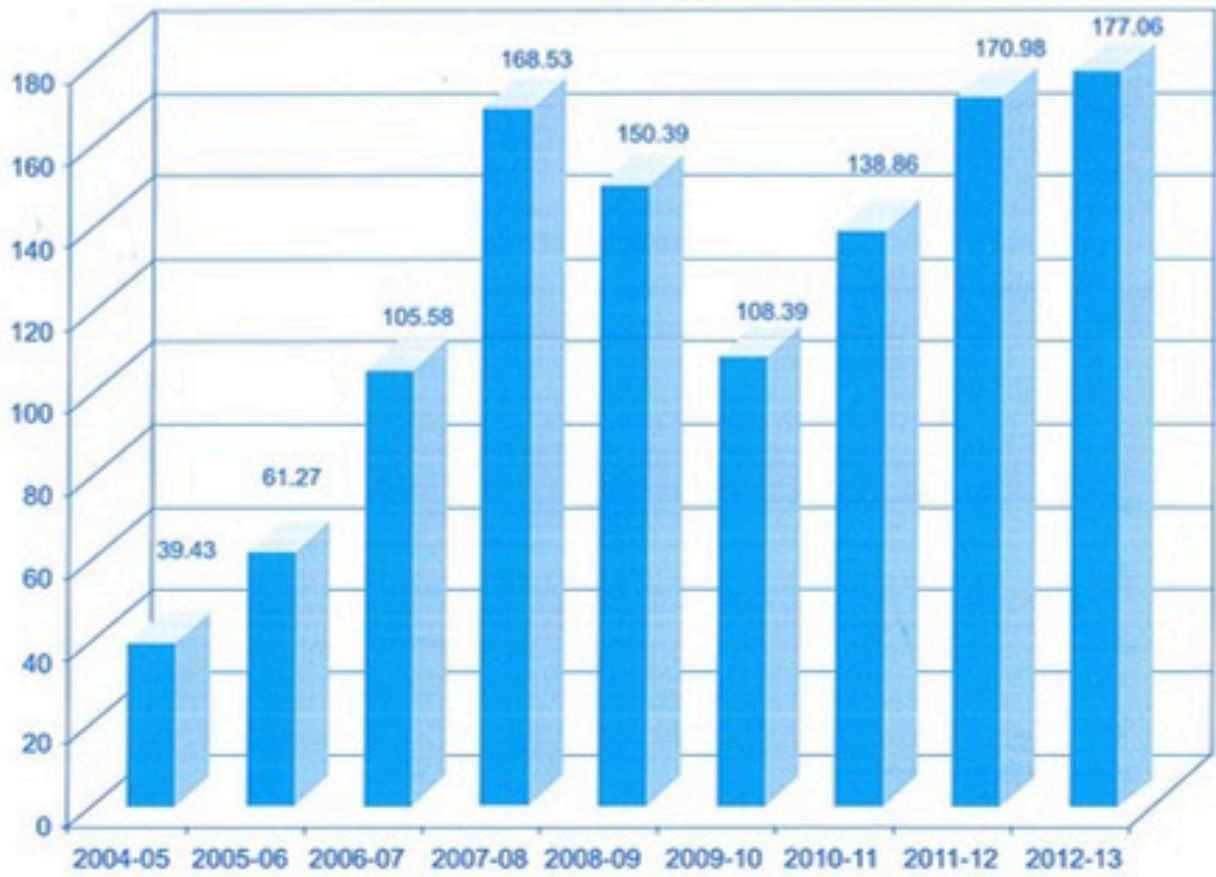
**ADDENDUM TO DIRECTORS' REPORT RELEVANT TO
FINANCIAL YEAR ENDED 31ST MARCH 2013**

Comment of the Statutory Auditors	Management Reply
<p>Non-disclosure of Contingent Liability in Notes to Accounts amounting to USD 1.60 billion (₹ 7004.80 Crores) relating to the claim made by M/s Devas Multimedia Limited before the International Chamber of Commerce, Paris (ICC) subsequent to the annulment of contract as per the policy decision of the Central Government acting in its sovereign capacity.</p>	<p>The Company had moved the Hon'ble Supreme Court of India seeking directions to M/s Devas Multimedia Pvt Ltd to appoint Arbitrators in accordance with the agreement. The Company had also filed arbitration application and suit before the Court of Additional City Civil Judge, Bangalore praying for injunction on the ICC proceedings initiated by Devas. The arbitration petition filed by the Company before the Hon'ble Supreme Court is dismissed, without prejudice to the remedies available to Antrix under other provisions of the Indian Arbitration and Conciliation Act, 1996. The Review Petition filed by Antrix against this order of Hon'ble Supreme court is also dismissed.</p> <p>Antrix, represented by their counsel, has taken up the issue of jurisdiction and limitation of liability – which is refund of Upfront Capacity Reservation Fees of ₹ 58.37 Crores to Devas - under the Agreement, before the ICC Tribunal.</p> <p>The arbitration petition (u/s 9 of the Arbitration and Conciliation Act, 1996) and the civil suit filed are still pending before the Court of Additional City Civil Judge, Bangalore.</p> <p>Since the possibility of the outflow is remote, the said claim was not disclosed as contingent liability in the Accounts. On final settlement of the arbitration award, suitable accounting treatment will be made in the Accounts of the year of acceptance of the award, if any.</p>

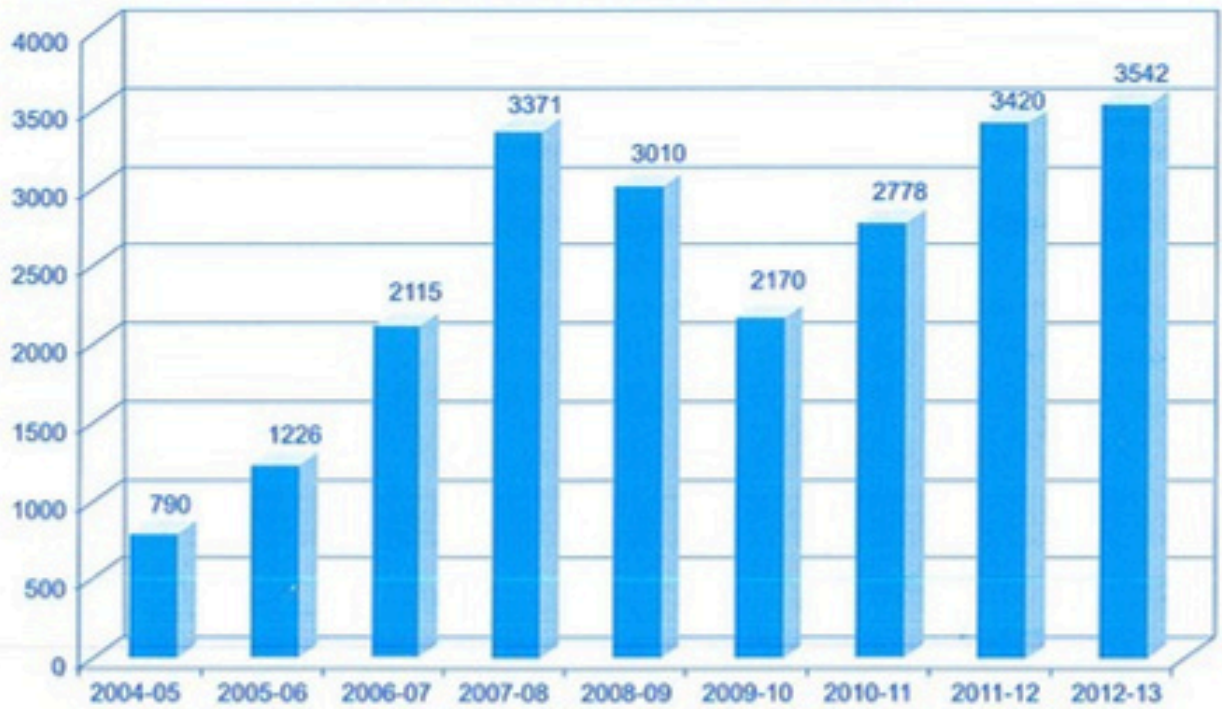
ADDENDUM TO DIRECTORS' REPORT RELEVANT TO FINANCIAL YEAR ENDED 31ST MARCH 2013

Comment of the C&AG	Management Reply
<p>Balance Sheet Reserves & Surplus (Note No. A) ₹ 93,601.59 lakh</p> <p>Department of Public Enterprises made creation of CSR budget mandatory for public sector undertakings through guidelines on corporate social responsibility issued in April 2010. Despite assurance given during audit of annual accounts of 2011-12, the Company has not created Corporate Social Responsibility (CSR) Fund amounting to ₹ 9.96 crore.</p> <p>This has resulted in overstatement of Reserves & Surplus and understatement of Corporate Social Responsibility Fund by ₹ 9.96 crore each.</p>	<p>The CSR budget/fund for each year is to be created as a percentage of profit only through a Board Resolution (Clause 5.1 of the CSR Guidelines). Accordingly, since the Board re-constitution process was on going, the Company had assured audit to take-up the issue of discharging CSR activities before the new Board of Directors for effective implementation and accounting of the same. The re-constitution of Company's Board was completed only during June 2013.</p> <p>Further, the Revised Guidelines on Corporate Social Responsibility and Sustainability for CPSUs, notified by the Government, is applicable only from April, 2013 onwards and the provision for CSR shall be made based on previous year profit. The new Companies Act 2013 has a statutory provision (Section 135) for CSR and Schedule VII for activities to be included in CSR policy which will be complied with.</p>
<p>Current Liabilities. Other Current Liabilities - ₹ 47313.72 lakh</p> <p>Above does not include Service Tax liability for the period from January 2009 to March 2013 to the tune of ₹ 7.57 crore and ₹ 1.42 crore as interest thereon. This has resulted in understatement of Current liabilities by ₹ 8.99 crore, Current assets by ₹ 7.57 crore and overstatement of profit by ₹ 1.42 crore.</p>	<p>The Service Tax Department's Internal Audit Party issued only its preliminary Audit Observations on 19.03.2013 and the Company did not have the liability for ₹ 8.99 Crores earlier to this date in the books of account.</p> <p>Since, a question of interpretation of law was involved, the Company sought Legal Opinion which was received only on 09.05.2013 and hence, the liability for service tax of ₹ 7.57 Crores had got crystallized only on 09.05.2013. The Company <i>suomoto</i> discharged the liability on 29.05.2013 along with interest amount accrued until that date.</p> <p>As per Para 8.3 to 8.4 and Para 15 of Accounting Standard-AS-4-(Contingencies and events occurring after Balance Sheet date), adjustments to assets and liabilities are not appropriate for events occurring after the Balance Sheet date, if such events does not relate to conditions existing at the Balance Sheet date. The condition for accepting liability of ₹ 8.99 Crores did not exist as on the date of Balance Sheet in the opinion of the Company. Moreover, the Service tax paid to the Department is fully recoverable from customers. Hence no adjustment to the liability and assets was made in the books as on 31st March 2013.</p>

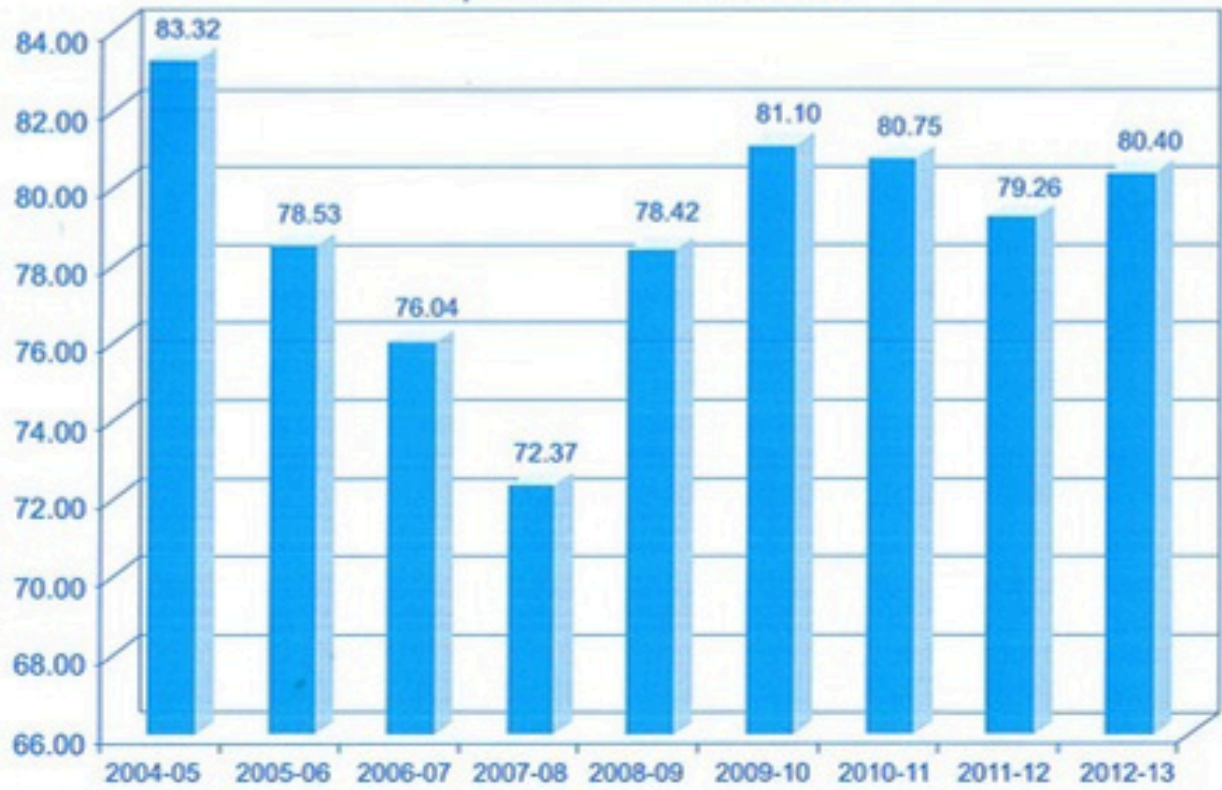
Profit after Tax (₹ in Crores)



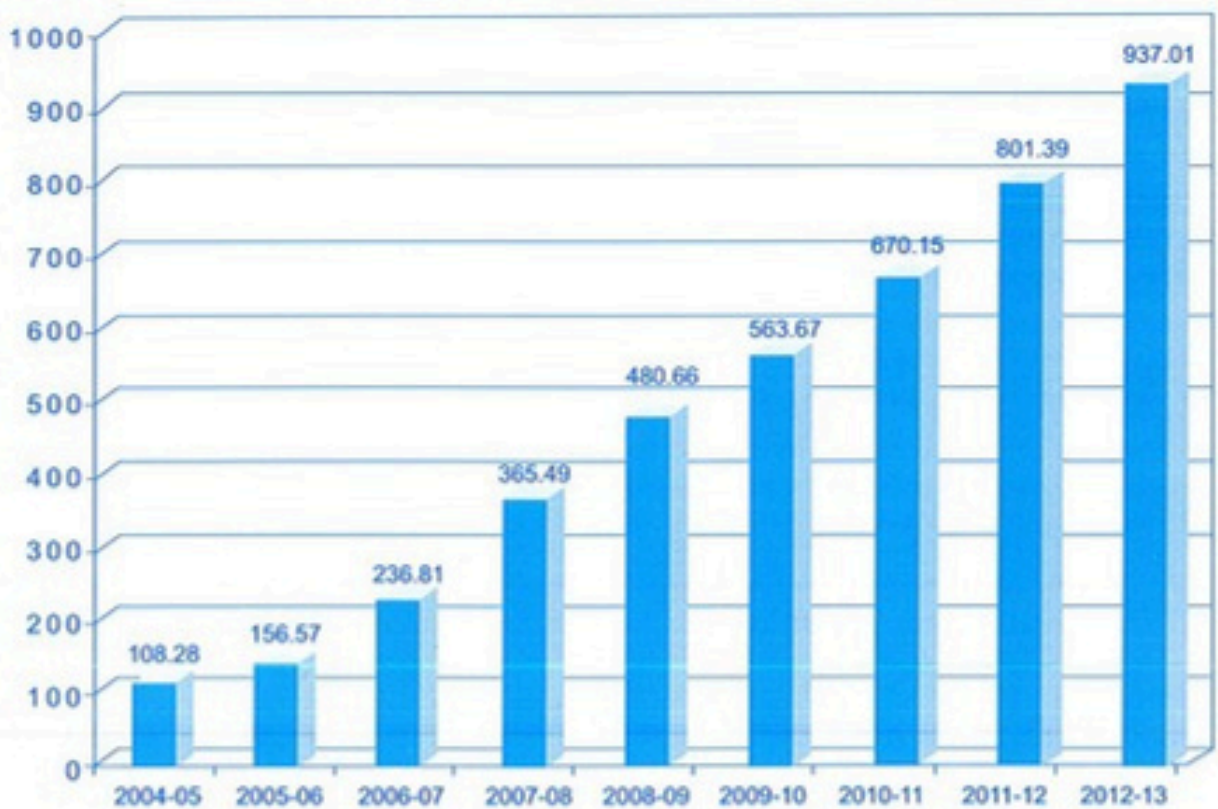
Dividend as a % of Paid-up Share Capital



Expenditure as % Revenue



Networth per ₹ of paid-up Capital (in ₹)



COMPLIANCE CERTIFICATE

Company No: U85110KA1992GOI013570

Authorised Capital: ₹5 Crores

Paid-up Capital : ₹1 Crore

To,

The Members

Antrix Corporation Limited

Antariksh Bhavan

Near New BEL Road

Bangalore – 560231.

I have examined the registers, records, books and papers of Antrix Corporation Ltd., required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time prescribed under the Act and the Rules made thereunder.
3. The Company is a Government Company, wholly owned by the Government of India. It has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was two and the Company during the year under scrutiny:
 - i) has not invited public to subscribe for its shares or debentures; and
 - ii) has not invited or accepted any deposits.
4. The Board of Directors duly met four times on June 27, 2012, August 30, 2012, December 19, 2012 and March 26, 2013 in respect of which meetings, proper notices were given and the proceedings, including the circular resolutions passed, were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company was not required to close its register of members or debentures during the financial year.
6. The Annual General Meeting for the financial year ended on 31.3.2012 was held on September 26, 2012, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for that purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company being a Government Company, Section 295 of the Act is not applicable, vide Government Notification No. GSR 581 (E) dated 16.7.1985.
9. The Company has not entered into any contracts falling within the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. During the year under review, there were no transactions necessitating the Company to make entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - i) has not transferred any securities during the financial year.
 - ii) has deposited the amount of dividend declared in a separate bank account opened for the purpose and deposited the dividend amount within five days from the date of declaration of such dividend.
 - iii) paid dividends to all the members within a period of thirty days from the date of declaration.

- iv) was not required to transfer any amounts in unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to the Investor Education and Protection Fund, as no such amounts are lying with the Company.
 - v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
 15. The Company has appointed a Whole-time Director during the financial year in compliance with the provisions of the Act.
 16. The Company has not appointed any sole-selling agents during the financial year.
 17. The Company has obtained the approval of the Central Government pursuant to Section 211(4) of the Companies Act, 1956 for modification of the requirement of Part II, Schedule VI of the Act with regard to publication of additional data.
 18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
 19. The Company has not issued any shares/ debentures/ other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the provisions of Section 58A of the Act during the financial year.
 24. The Company has not borrowed any amounts during the financial year under review.
 25. The Company has not made any loans and investments or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the financial year.
 31. The company has received a demand show cause notice during the year demanding payment of service tax of ₹ 1.87 Lakhs, which the company has paid. There was no prosecution initiated against the Company and no fines and penalties or any other punishment have been imposed on the Company during the financial year.
 32. The Company has not received any security deposit from its employees during the year.
 33. The provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are not applicable to the Company.

Date: 19th June, 2013
Place: Bangalore

Sd/-
V. PADMANABHAN
C.P.No: 6283

ANNEXURE A

Statutory Registers

1. Register of Members u/s 150
2. Board Meeting Minutes Book u/s 193
3. General Meeting Minutes Book u/s 193
4. Register of Directors u/s 303
5. Register of investments u/s 372A
6. Register of Contracts u/s 301

Other Registers

1. Directors Attendance Register
2. Register of Transfers

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Karnataka during the financial year ended 31st March, 2013

Sl. No.	Document filed	Under Section	Purpose and date of the event	Date of filing	Receipt No.	Whether filed within time
1.	Form 23AC	220	Annual Accounts for the year ended 31st March, 2012	15.01.13	Q05903455	Yes
2.	Form 66	383A	Compliance Certificate for the year ended 31st March, 2012	16.10.12	P90508755	Yes
3.	Form 20B	159	Annual Return for the year ended 31st March, 2012	22.11.12	Q01152859	Yes
4.	Form 32	303	Resignation of Dr. R.R. Navalgund	31.7.12	B44448553	No
5.	Form 32	303	Appointment of Mr. S. Srinivasan	31.7.12	B44448884	Yes
6.	Form 32	303	Appointment of Mr. S.K. Shivakumar	23.9.12	B58121203	Yes
7.	Form 32	303	Resignation of Mr. S.K. Shivakumar	20.11.12	B62082029	Yes
8.	Form 32	303	Resignation of Mr. S. Srinivasan and Mr. P.S. Veeraraghavan	7.12.12	B63310403	Yes
9.	Form 32	303	Appointment of Mr. A. Vijay Anand, Mr. P.J. Mathew, Mr. V. Koteswara Rao, Mr. S. Parameswaran, Mr. E. Vasantha, and Mr. John P. Zachariah as Directors	17.12.12	B63977854	Yes

AUDITORS' REPORT

To
The Members
M/s. Antrix Corporation Limited
Bangalore

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Antrix Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement

of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1. Your attention is invited to:

- a) *Non-disclosure of Contingent Liability in notes to accounts amounting to USD 1.60 Billion (₹ 7004.80 Crores) relating to the claim made by M/s Devas Multimedia Limited before the International Chamber of Commerce, Paris (ICC) subsequent to the annulment of contract as per the policy decision of the Central Government acting in its sovereign capacity.*
- b) *Note No.8 and 9 - Regarding disputed KVAT and CST amounting to ₹ 373.21 Crores.*
- c) *Note No.10 - Regarding disputed Service tax amounting to ₹ 1.06 Crores.*
- d) *Note No.19 - Regarding non-availability of balance confirmation of Sundry Debtors, Sundry Creditors, Advances Recoverable and Other Liabilities.*
- e) *Note No.20 - Regarding the outstanding balances as on the year end in DOS/ISRO accounts which are yet to be confirmed by the DOS.*

2. *No provision has been made towards the liability of Liquidated Damages in the form of Delayed Delivery Penalty of US\$ 5 Million (₹ 21.89 crores) as on the date of Balance*

Sheet for its failure to deliver the leased capacity from a fully operational satellite within the stipulated date as per the terms of the contract entered into with M/s Devas Multimedia Limited. In the opinion of the management, no provision need to be made currently and the issue relating to arbitration proceedings is subjudice, and the same is disclosed as contingent liabilities.

Opinion

In our opinion and the best of our information and according to the explanations given to us, and subject to our

- i. observations stated in the Annexure referred to in paragraph 1 below ;*
- ii. Profit and Reserves are overstated and Liabilities are understated to the extent of ₹ 21.89 Crores towards liquidated damages as in paragraph 2 above;*
- iii. comments in paragraph 1 above, the effect of which on the profit, reserves, assets and liabilities is not ascertainable.*

The financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013
- b) In the case of the Statement of Profit & Loss, of the Profit for the year ended on that date.
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section

(4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 the examination of the books.
 - c. The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For GNANOBA & BHAT
CHARTERED ACCOUNTANTS
Firm Reg. No: 000939S**

Sd/-

**(K.R GNANOBA)
(PARTNER)
M.No 23137**

Place: BANGALORE
Date : 26.06.2013

ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i) In respect of its fixed assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) According to the information and explanations given to us, the fixed assets have been physically verified by the Committee constituted by the management during the year. In our opinion, the frequency of verification is reasonable. According to the information and explanation given to us no material discrepancies were noticed on such verification.
 - c) The Company has not disposed off its substantial part of fixed assets during the year and hence the clause is not applicable.
- ii) The Company does not have any inventory. Hence Clause (ii) (a) (b) & (c) are not applicable.
- iii) The Company has neither granted nor taken any secured/unsecured loan to or from Companies, firm and the other parties listed in the register maintained u/s 301 of the Companies Act, 1956. Therefore commenting on the matters under this clause does not arise.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. In our opinion, there are no major weaknesses in the internal control.
- v) According to the information given to us, no transactions, which require entry in the register, maintained u/s 301 have taken place. Therefore, the provisions of Clause (v) (b) are not applicable to the Company.
- vi) As per the records and according to the information given to us, the Company has not accepted any deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Cess and other statutory dues with the appropriate authorities during the period wherever applicable and the provisions of Provident Fund Act and the Employees State Insurance Act, are inapplicable to the Company for the year under audit.
 - b) According to the information and explanations given to us, there are no dues of Income-tax, Service Tax, Cess, which have not been deposited on account of any dispute. However, the demand raised by the Karnataka Commercial Tax Department with respect to K-VAT and CST amounting to ₹ 373.21 Crores for the period from 01.04.2005 to 31.03.2010 is under dispute and the matter is pending in the Hon'ble Supreme Court. The demand raised by Large Tax Payers Unit for Service tax to the tune of ₹ 1.06 Crores including penalty is appealed before Customs, Excise and Service Tax Appellant Tribunal (CESTAT), Bangalore as detailed in other notes forming part of accounts Note No.10.
- x) The Company does not have accumulated losses as on 31.03.2013 and the Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.
- xi) Based on our audit procedures and according to the information and explanation given by the

management, the Company has no dues to financial institutions or banks.

- xii) According to the information furnished to us and verified by us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence clause (xii) of the Order is not applicable to the Company;
- xiii) In our opinion, the company is not a Chit fund or a Nidhi / Mutual Benefit Fund/Society. Therefore, the provisions of clause (xiii) of the Order are not applicable to the Company;
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company;
- xv) According to the information and explanation given by the management, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us the Company has not availed any term loan.
- xvii) According to the cash flow statement and other records examined by us, and the information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the period for long-term investment.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and accordingly provisions of clause (xviii) of the Order are not applicable to the Company.

xix) The Company has not issued any debentures during the year and hence clause (xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by way of public issue during the year under report and hence clause (xx) of the Order is not applicable.

xxi) To the best of our knowledge and belief and according to the information and explanation given to us by the Management, no frauds were noticed or reported during the year.

**For GNANOBA & BHAT
CHARTERED ACCOUNTANTS
Firm Reg. No: 000939S**

Place: BANGALORE
Date : 26.06.2013

Sd/-
**(K.R GNANOBA)
(PARTNER)
M.No 23137**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
ANTRIX CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2013.**

The preparation of financial statements of Antrix Corporation Limited for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is responsibility of the management of the Company. The statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 26 June 2013.

I, on behalf of Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Antrix Corporation Limited for the year ended 31st March 2013. 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, the Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Balance Sheet

Reserves & Surplus (Note No. A) ₹ 93,601.59 lakh

Department of Public Enterprises made creation of CSR budget mandatory for public sector undertakings through guidelines on corporate social responsibility issued in April 2010. Despite assurance given during audit of annual accounts of 2011-12, the Company has not created Corporate Social Responsibility (CSR) Fund amounting to ₹ 9.96 crore.

This has resulted in overstatement of Reserves & Surplus and understatement of Corporate Social Responsibility Fund by ₹ 9.96 crore each.

Current Liabilities

Other Current Liabilities - ₹ 47313.72 lakh

Above does not include Service Tax liability for the period from January 2009 to March 2013 to the tune of ₹ 7.57 crore and ₹ 1.42 crore as interest thereon. This has resulted in understatement of Current Liabilities by ₹ 8.99 crore, Current assets by ₹ 7.57 crore and overstatement of profit by ₹ 1.42 crore.

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

Sd/-

(Atreyee Das)

**Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV**

Place : New Delhi
Date : 13.09.2013

DETAILED FINANCIALS

BALANCE SHEET AS AT 31.03.2013

(₹ in Lakhs)

Particulars	Note No.	Figures as at the end of current reporting period 31.03.2013	Figures as at the end of previous reporting period 31.03.2012
I. EQUITY AND LIABILITIES:			
1) Shareholders' funds:			
(a) Share Capital	A	100.00	100.00
(b) Reserves and surplus	B	93,601.59	80,038.57
2) Non-current liabilities:			
(a) Other Long term liabilities	C	1,11,006.83	1,18,013.08
(b) Long-term provisions	D	27.82	16.96
3) Current liabilities:			
(a) Trade payables		24,743.01	22,842.35
(b) Other current liabilities	E	47,313.72	22,892.12
(c) Short-term provisions	F	4,145.69	3,976.04
TOTAL		2,80,938.66	2,47,879.12
II. ASSETS:			
1) Non-current assets:			
(a) Fixed assets			
(i) Tangible assets	G	1,541.16	35.82
(ii) Intangible assets	H	12.88	1.90
(iii) Capital work-in-progress		-	1,381.52
(b) Deferred Tax Assets (Net)		1,059.06	1,021.65
(c) Long-term loans and advances	I	44,368.73	67,332.58
2) Current assets:			
(a) Current investments	J	19,387.22	23,695.54
(b) Trade receivables	K	57,853.09	42,517.52
(c) Cash and cash equivalents	L	1,02,789.42	98,903.51
(d) Short-term loans and advances	M	46,665.99	5,275.55
(e) Other current assets	N	7,261.11	7,713.53
TOTAL		2,80,938.66	2,47,879.12
Accounting Policies	O		
Other Notes forming part of Accounts	P		

Notes No. A to P form an integral part of this Balance Sheet

As per our report attached

For Gnanoba & Bhat
Chartered Accountants
Firm Reg No.000939S

For and on behalf of the Board

Sd/-
(K R Gnanoba)
Partner
M N.23137

Sd/-
(S Parameswaran)
Executive Director

Sd/-
(V S Hegde)
Chairman-cum-Managing Director

Place : Bangalore
Date : 26.06.2013

Place : Bangalore
Date : 26.06.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

(₹ in Lakhs)

Particulars	Note No	For the current reporting period ended 31.03.2013	For the previous reporting period ended 31.03.2012
I. Revenue from operations	1	1,16,873.69	1,05,078.49
II. Other income	2	12,654.52	12,982.35
III. Total Revenue (I +II)		1,29,528.21	1,18,060.84
IV. Expenses:			
(i) Cost of Revenue from operation	3	1,02,962.88	92,643.58
(ii) Employees benefits expense	4	311.60	195.16
(iii) Depreciation and amortisation expense		117.84	9.69
(iv) Other expenses	5	741.26	730.15
Total expenses		1,04,133.58	93,578.58
V. Profit before tax		25,394.63	24,482.26
VI. Tax expense:	6		
(i) Current tax		(7,725.05)	(7,502.45)
(ii) Deferred tax		37.41	118.56
VI. Profit for the period from continuing operations (V-VI)		17,706.99	17,098.37
VIII. Earnings per Equity Share:			
Amount used as numerator in calculating earnings per Equity Share in Lakhs		17,706.99	17,098.37
Number of equity shares used as the denominator in calculating earnings per equity share is		1,00,000	1,00,000
Nominal value of Equity Share in ₹		100	100
Basic and Diluted Earnings per Equity Share in Lakh		0.18	0.17
Accounting Policies	O		
Other Notes forming part of Accounts	P		

Notes No. 1 to 6, O and P form an integral part of this Profit and Loss Statement

As per our report attached

For Gnanoba & Bhat
Chartered Accountants
Firm Reg No.000939S

For and on behalf of the Board

Sd/-
(K R Gnanoba)
Partner
M N.23137

Sd/-
(S Parameswaran)
Executive Director

Sd/-
(V S Hegde)
Chairman-cum-Managing Director

Place : Bangalore
Date : 26.06.2013

Place : Bangalore
Date : 26.06.2013

NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2013

(₹ in Lakhs)

Note No	Particulars	Unit	Figures as at the end of current reporting period 31.03.2013	Figures as at the end of previous reporting period 31.03.2012
A	SHARE CAPITAL:			
	Equity Shares:			
	(a) Authorised:			
	(i) Number of Shares	Nos.	5,00,000	5,00,000
	(ii) Amount of Shares in Lakhs		500.00	500.00
	(b) Issued, subscribed and fully paid up for cash:			
	(i) Number of Shares	Nos.	1,00,000	1,00,000
	(ii) Amount of Shares in Lakhs		100.00	100.00
	(c) Par value per share (In ₹)		100.00	100.00
	(d) (i) Number of shares outstanding at the beginning of the reporting period		1,00,000	1,00,000
	(ii) Number of shares outstanding at the end of the reporting period		1,00,000	1,00,000
	(e) Rights, preference and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital		Equity Shares: 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 20% of post tax profit shall be distributed to Government of India as Dividend and the repayment of capital is as per the provision of the Companies Act, 1956	Equity Shares: 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 20% of post tax profit shall be distributed to Government of India as Dividend and the repayment of capital is as per the provision of the Companies Act, 1956
	(f) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.		100% of entire 1,00,000 number of paid up Equity Shares of ₹ 100 each are held by the Government of India through the President of India and its Nominees.	100% of entire 1,00,000 number of paid up Equity Shares of ₹ 100 each are held by the Government of India through the President of India and its Nominees.

B	RESERVES AND SURPLUS:		
	(a) General Reserve:		
	Amount outstanding at the beginning of the reporting period	80,035.00	66,875.00
	Add: Transfer out of current year profit	13,560.00	13,160.00
	Amount outstanding at the end of the reporting period	<u>93,595.00</u>	<u>80,035.00</u>
	(b) Surplus:		
	Amount outstanding at the beginning of the reporting period	3.57	40.01
	Add: Current year profit	17,706.99	17,098.37
		<u>17,710.56</u>	<u>17,138.38</u>
	Less:		
	Transfer to General Reserve	13,560.00	13,160.00
	Proposed Dividend	3,542.00	3,420.00
	Tax on distributed profit	601.97	554.80
	Amount outstanding at the end of reporting period	<u>6.59</u>	<u>3.57</u>
	TOTAL	<u>93,601.59</u>	<u>80,038.57</u>
C	OTHER LONG TERM LIABILITIES:		
	(a) Other Trade Payables	103.45	7,267.70
	(b) Others	1,10,903.38	1,10,745.38
		<u>1,11,006.83</u>	<u>1,18,013.08</u>
D	LONG TERM PROVISIONS:		
	(a) Provision for employee benefits		
	(i) Provision for Gratuity	9.53	6.20
	(ii) Provision for Leave Encashment	18.29	10.76
		<u>27.82</u>	<u>16.96</u>
E	OTHER CURRENT LIABILITIES:		
	(a) Income received in advance	23,415.24	13,579.03
	(b) Advances from customers	5,173.86	5,779.10
	(c) Statutory Liabilities	754.07	872.92
	(d) Creditors for Expenses	107.87	41.46
	(e) Creditors for Project Expenses	113.47	2,592.16
	(f) Creditors for Other Liabilities	17,749.21	27.45
		<u>47,313.72</u>	<u>22,892.12</u>
F	SHORT TERM PROVISIONS:		
	(a) Provision for Leave Encashment	1.72	1.23
	(b) Provision for Proposed Dividend	3,542.00	3,420.00
	(c) Provision for Tax on Distributed Profit	601.97	554.81
		<u>4,145.69</u>	<u>3,976.04</u>
G	TANGIBLE ASSETS:		
	(i) (a) Building	1,243.57	-
	(b) Furniture and fixtures	240.91	15.50
	(c) Computer	25.78	5.26
	(d) Office Equipment	30.90	15.06
		<u>1,541.16</u>	<u>35.82</u>
	(ii) 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/reversals	Refer annexure to this Note	Refer annexure to this Note

H	INTANGIBLE ASSETS:		
	(i) (a) Computer software	12.88	1.90
	(ii) 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/reversals	Refer annexure to this Note	Refer annexure to this Note
I	LONG TERM LOANS AND ADVANCES:		
	(Unsecured-Considered good)		
	(a) Capital Advance	—	344.97
	(b) Security Deposits	5,015.29	5,015.29
	(c) Advances to employees	0.13	0.20
	(d) Accrued interest on Advances to employees	0.07	0.06
	(e) Advances for Project Expenses	1,419.17	53,963.81
	(f) Taxes Refund Due	9,786.28	6,989.07
	(g) Taxes paid under protest	912.47	912.47
	(h) Advances to trade creditors	27,229.81	106.49
	(i) Advances for Expenses	5.51	—
	(j) Dues from customers	—	0.22
		44,368.73	67,332.58
J	CURRENT INVESTMENTS:		
	Investments in Mutual Funds:		
	(At cost - Non-Trade - Unquoted)		
	Canara Robeco Short Term Fund-Direct Mnlly Div-6months (Invested in 1,00,196,62.9150 units @ ₹ 10.14 : NAV as at year end @ ₹ 10.1291 is ₹ 1014.90 Lakhs)	1,016.05	—
	Canara RobeMF Try Adv Supr Instt Dly Div Reinv Fund (Invested in 91,545.1120 (Pr Yr - 1,47,754.985) units @ ₹ 1240.71/- each which is also NAV at year end)	1,135.81	1,833.21
	UTI MF Short Term Inc Fund Inst-Dir Inc Opt-Re-Inrv (Invested in 1,38,18,435.117 units @ ₹ 10.94; NAV as at year end @ ₹ 11.0027 ₹ 1520.40 Lakhs)	1,511.80	—
	UTI Treasury Advantage Fund-Direct Daily Dividend (Invested in 3,80,880.933 units @ ₹ 1000.2141 each which is also net asset value at year end ₹ 3809.62 Lakhs)	3,809.62	—
	UTI MF Short Term Income Fund Instit-Inc Opt-Re-Inrv (Invested in 4,86,65,841.302 units @ average ₹ 10.58777 each; NAV as at year end @ ₹ 10.5653 is ₹ 5141.69 Lakhs)	—	5,152.63
	Canara Robeco MF Liqu Super Instt Dly Div Reinv Fund (Invested in 219347.4530 units @ ₹ 1005.50 each which is also NAV at year end)	—	2,205.54
	Canara Robe MF Interv Srs 2 Qly Plan 2-Inst Div Fund (Invested in 1,49,95,201.536 units @ ₹ 10.0032 each; NAV as at year end @ 10.0309 is ₹ 1504.15 Lakhs)	—	1,500.00
	LIC Nomura MF Liquid Fund Dividend Plan (Invested in 2,729.339 units @ ₹ 10.9801 each which is also NAV at year end)	—	0.30
	Canara Robeco MF InDiGo Fund Regular Growth - 366 D (Invested in 2,06,34,553.7980 units at ₹ 12.1156 each; NAV as at year end @ ₹ 12.8927 (Pr Yr - 12.1825) is ₹ 2660.35 Lakhs (Pr Yr - ₹ 2513.80 Lakhs)	2,500.00	2,500.00
	Canara Robeco MF InDiGo Fund Regular Growth - 366 D (Invested in 77,49,354.8660 units at ₹ 12.9043 each; NAV as at year end @ ₹ 12.8927 is ₹ 999.10 Lakhs)	1,000.00	—
	LIC Nomu MF Bond Fund-Grw Plan-Lock in 6 Month (Invested in 6,32,703.890 units at ₹ 32.2502 ; NAV as at year end @ ₹ 32.7761 ₹ 207.38 Lakhs)	204.05	—

	LIC Nomura MF FMP Series 52-367d Growth (Invested in 1,50,17,543 units at ₹ 10/- each ; NAV as at year end @ ₹ 11.0280 ₹ 1656.13 Lakhs)	1,501.75	1,501.75
	SBI Debt Fund Series 25 - 366 Days -FMP (Invested in 2,20,81,400 units at ₹ 10 ; NAV as at year end @ ₹ 2208.14 Lakhs)	2,208.14	—
	SBIMF Debt Fund Series 366 Days-17 Growth (Invested in 1,00,00,000 units at ₹ 10 ; NAV as at year end @ ₹ 10.2975 ₹ 1029.75 Lakhs)	1,000.00	—
	SBI MF Debt Fund Series 366 Days -3-Growth (Invested in 2,50,00,000 units at ₹ 10 ; NAV as at year end @ ₹ 10.8659 ₹ 2716.48 Lakhs)	2,500.00	—
	SBI MF Debt Fund Series 366 Days Series-16 Growth (Invested in 1,00,00,000 units at ₹ 10 ; NAV as at year end @ ₹ 10.3219 ₹ 1032.19 Lakhs)	1,000.00	—
	SBI MF SDFS -15 months - 6 Growth (Invested in 2,50,00,000 units @ ₹ 10 each, NAV as on year end @ ₹ 10.1451 each is ₹ 2536.28 Lakhs)	—	2,500.00
	SBI MF Debt Fund Series 367 Days - 7 - Growth (Invested in 2,50,00,000 units @ ₹ 10/- each; NAV as at year end @ ₹ 10.3791 is ₹ 2594.78 Lakhs)	—	2,500.00
	SBI MF-SBI Debt Fund Series 19 -367 days-FMP Growth (Invested in 2,00,00,000 units @ ₹ 10/- each which is also NAV at year end)	—	2,000.00
	UTI MF Fixed Term Income Fund-Series XI-VII-366 D (Invested in 2,00,21,114.914 Units @ ₹ 10/- each; NAV as at year end @ ₹ 10.0288 is ₹ 2007.88 Lakhs)	—	2,002.11
		19,387.22	23,695.54
	Aggregate amount of Unquoted, Non-trade Current Investment in Mutual Funds	19,387.22	23,695.54
K	TRADE RECEIVABLES: (Unsecured) (a) Trade Receivables outstanding for a period exceeding six months from the date they are due for payment (i) Considered good (ii) Considered doubtful (b) Other debts (Considered good)		
		14,046.35	8,959.25
		3,237.34	3,126.30
		43,806.74	33,558.26
		61,090.43	45,643.81
	Less: Provision for Doubtful Debts	3,237.34	3,126.29
		57,853.09	42,517.52
L	CASH AND CASH EQUIVALENTS: (a) Balances with banks; (b) Cash on hand; (c) Bank deposits with more than 12 months maturity		
		57,657.97	22,688.73
		0.14	0.13
		45,131.31	76,214.65
		1,02,789.42	98,903.51
M	SHORT TERM LOANS AND ADVANCES: (Unsecured-Considered Good) (a) Advances for Expenses (b) Advances for Project Expenses (c) Advances to Trade Creditors (d) Other Recoverables		
		218.46	8.55
		29,610.37	56.68
		16,825.74	5,210.32
		11.42	—
		46,665.99	5,275.55
N	OTHER CURRENT ASSETS (Unsecured-Considered Good) (a) Accrued Interest on Deposits with banks (b) Input Service Tax		
		5,860.46	6,879.35
		1,400.65	834.18
		7,261.11	7,713.53

(₹ in Lakhs)

ANNEXURE TO NOTE - G - TANGIBLE ASSETS

Sl No.	Particulars	GROSS BLOCK (COST)			DEPRECIATION (UNDER WDV METHOD)				NET CARRYING VALUE (WDV)		
		As at 31.03.12	Additions	Disposal/ Adjustment	As at 31.03.13	Upto 31.03.12	For the year	For Disposal/ Adjustment	Upto 31.03.13	As at 31.03.13	As at 31.03.12
1	Building		1298.04		1298.04		54.47		54.47	1243.57	
2	Furniture and Fixures	66.29	266.52		332.81	50.79	41.11		91.90	240.91	15.50
3	Computers and Peripherals	48.22	32.17	3.42	83.81	42.96	12.23	2.84	58.03	25.78	5.26
4	Office Equipments	35.42	20.70		56.12	20.36	4.88		25.22	30.90	15.06
	Total	149.93	1617.43	3.42	1770.78	114.11	112.67	2.84	229.62	1541.16	35.82
	Previous Years' Figures	142.47	8.26	0.80	149.93	106.25	8.28	0.42	114.11	35.82	36.22

Note: There are no acquisitions through business combinations and impairment losses/reversals

Building is built on the land leased to Company by Department of Space, Government of India on Annual Rental basis for an initial term of 60 years or any extension provided commenced from 01.02.2009. The lease period shall be further extended for one more additional term of 10 years at an annual rent to be mutually agreed.

Amount under "Disposal/Adjustment" column represents rectification of misclassification between "Computers and peripherals" and "computer software"

ANNEXURE TO NOTE - H - INTANGIBLE ASSETS

Sl No.	Particulars	GROSS BLOCK (COST)				AMORTISATION UNDER ACCOUNTING STANDARD AS 26 (STRAIGHT LINE METHOD)				NET CARRYING VALUE (SLM)	
		As at 31.03.12	Additions	Disposal/ Adjustment	As at 31.03.13	Upto 31.03.12	For the year	For Disposal/ Adjustment	Upto 31.03.13	As at 31.03.13	As at 31.03.12
1	Computer Software	10.76	16.29	3.42	23.63	8.86	5.16	3.27	10.75	12.88	1.90
	Total	10.76	16.29	3.42	23.63	8.86	5.16	3.27	10.75	12.88	1.90
	Previous Years' Figures	10.62	0.14	0.00	10.76	7.45	1.41		8.86	1.90	3.17

Note: There are no acquisitions through business combinations and impairment losses/reversals

Amount under "Disposal/Adjustment" column represents rectification of misclassification between "Computers and peripherals" and "computer software"

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2013**

(₹ in Lakhs)

Note No	Particulars	Unit	For the current reporting period ended 31.03.2013	For the previous reporting period ended 31.03.2012
1	Revenue from Operations:			
	(a) Sale of products:			
	(i) Exports		283.22	405.42
	Net gain/(loss) on foreign currency transaction and translation relating to Export		21.24	21.60
			<u>304.46</u>	<u>427.02</u>
	(ii) Inland Sales		<u>327.31</u>	<u>4,106.17</u>
	(b) Sale of services:			
	(i) Foreign Consultancy Services Receipts		155.77	263.09
	Net gain/(loss) on foreign currency transaction and translation relating to FCS		6.96	85.08
			<u>162.73</u>	<u>348.17</u>
	(ii) Inland Consultancy Services Receipts		<u>1,093.23</u>	<u>171.90</u>
	(c) Other operating revenues:			
	(1) Foreign Receipts:			
	(i) Access Fees and Royalty receipts		1,946.92	2,438.21
	Net gain/(loss) on foreign currency transaction and translation relating to AFR		25.86	52.83
			<u>1,972.78</u>	<u>2,491.04</u>
	(ii) Host Facility receipts		6,193.46	8,272.51
	Net gain/(loss) on foreign currency transaction and translation relating to HF		250.43	169.49
			<u>6,443.89</u>	<u>8,442.00</u>
	(iii) Space Segment Capacity Charges receipts		203.58	1,639.53
	Net gain/(loss) on foreign currency transaction and translation relating to SSCC		3.48	(2.64)
			<u>207.06</u>	<u>1,636.89</u>
	(2) Inland Receipts:			
	(i) Access Fees and Royalty receipts		-	8.97
	(ii) Space Segment Capacity Charges receipts		1,06,362.23	87,446.33
			<u>1,16,873.69</u>	<u>1,05,078.49</u>

2	Other Income:		
	(a) Interest Income		
	(i) On Deposits with Banks	9,922.93	9,868.69
	(ii) On Advances and Trade Receivables	698.45	709.15
	(b) Net gain/(loss) on sale of investments		
	(i) Long Term Capital Gain on Mutual Fund Investments	1,108.61	577.80
	(ii) Short Term Capital Gain on Mutual Fund Investments	46.52	-
	(iii) Short Term Capital Loss on Mutual Fund Investments	(0.48)	-
	(c) Dividend receipts on Mutual Fund Investments	741.82	937.38
	(d) Net gain on foreign currency transaction and translation relating to outstanding Liabilities and Assets	133.13	559.00
	(e) Liability no longer required written back	-	278.91
	(f) Prior Period Items	-	20.85
	(g) Miscellaneous Income	3.54	30.57
		<u>12,654.52</u>	<u>12,982.35</u>
3	Cost of Revenue from operation		
	(a) Cost of Sales		
	(i) Cost of Exports	119.45	241.48
	(ii) Cost of Inland Sales	282.10	3,723.88
	(b) Cost of Services		
	(i) Cost of Foreign Consultancy Receipts	93.33	61.54
	(ii) Cost of Inland Consultancy Receipts	949.26	126.78
	(c) Cost of Other Revenues		
	For Foreign Receipts		
	(i) Cost of Access Fees and Royalty receipts	1,160.99	1,446.43
	(ii) Cost of Host Facility receipts	4,703.05	6,341.54
	(iii) Cost of Space Segment Capacity Charges receipts	182.21	1,410.21
	For Inland Receipts		
	(i) Cost of Access Fees and Royalty receipts	-	5.38
	(ii) Cost of Space Segment Capacity Charges receipts	95,472.49	79,286.34
		<u>1,02,962.88</u>	<u>92,643.58</u>
4	Employees benefits expenses		
	Salaries	48.03	41.01
	Contribution to Public Provident Fund	1.88	1.80
	Staff Welfare	49.33	5.64
	Leave Travel concession	6.05	5.96
	Leave Encashment paid	1.50	0.50
	Leave Encashment provision	8.03	6.27
	Gratuity Paid	2.26	0.61
	Gratuity Provision	3.33	1.03
	Establishment Expenses	191.07	132.26
	Personnel Training Expenses	0.12	0.08
		<u>311.60</u>	<u>195.16</u>

5	Other Expenses:		
	Travelling Expenses	36.05	62.57
	Conveyance and Taxi Hire	20.37	15.67
	Printing and Stationery	10.77	6.01
	Communication Expenses	30.60	12.29
	Legal and Professional fees	155.77	162.38
	Rates and Taxes	0.04	4.36
	Advertisement and Publicity	7.54	6.01
	Business Procuring Commission	233.63	-
	Hospitality and Entertainment	0.23	3.14
	Seminar, Conference and Meeting Expenses	11.16	10.28
	Exhibition and Trade Fair	44.18	-
	Lease Rent	0.10	0.10
	Interest on belated payment of Taxes	2.76	6.19
	Bank Charges	7.31	4.19
	Bank Guarantee and LC charges	0.98	2.81
	Repairs and Maintenance - Others	14.65	2.09
	Payment to Auditors:		
	As Auditors	1.85	1.68
	For Reimbursement of Expenses	0.49	0.22
	Membership and Subscription	0.94	1.35
	Miscellaneous Expenses	17.39	8.00
	Provision for Doubtful Debts	111.06	420.81
	Prior Period Items	33.39	-
		<u>741.26</u>	<u>730.15</u>
6	Tax Expenses:		
	(i) Current Tax	7,692.00	7,610.00
	Short/(Excess) Provision for IT in earlier years	33.05	(112.55)
	Short Provision for FBT in earlier years	-	5.00
		<u>7,725.05</u>	<u>7,502.45</u>
	(ii) Deferred Tax		
	Deferred Tax originating during the year (Savings)	37.41	139.38
	Deferred Tax reversing during the year (Expenses)	-	(20.82)
		<u>37.41</u>	<u>118.56</u>

1) General:

The Company follows fundamental accounting assumption, namely, going concern, consistency and accrual method of accounting, except otherwise stated in the Accounting Policy.

2) Income:**(i) Sales:**

Revenue, net of all taxes, duties other than excise duty and levies, is recognized at the time of deliverables are delivered to the customer 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 normally recognized until the customer accepts delivery and the installation/inspection are completed.

(ii) Services:**a) Launch, Installation, Commissioning and Testing and Civil Works:**

Revenue, net of all taxes, duties other than excise duty and levies, is recognized by reference to the stage of completion of activity as specified in the contract where corresponding cost to complete the said stage of activity has been accounted for.

b) Access Fees, Space Segment Charges, Telemetry Tracking and Command, In-Orbit Testing, etc.:

Revenue, net of all taxes, duties other than excise duty and levies, is recognized at once on rendering or periodically depending upon nature of the service contracted either one time service or recurring service.

(iii) Consultancy:

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

(iv) Composite Contract:

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

(v) Other Income:**(a) Interest:**

Interest income is recognized on accrual basis. However, interest income from Trade Receivables is recognized on a time proportion basis as per the contract, only on realization.

(b) Royalty:

Royalty is accounted on cash basis.

(c) Dividends on Investments:

When the Company's right to receive payments is established.

(d) Foreign Exchange Fluctuation:

The variances in Foreign Exchange are netted in the respective value of Revenue from Operations.

3) Expenditure:

Cost of Export, Foreign (Other) Receipts, Inland Sales and Inland (Other) Receipts payable to DOS/ISRO are accounted as mutually agreed and approved by and between DOS/ISRO and the Company.

4) Fixed Assets:

Fixed Assets are accounted on historical cost basis.

5) Depreciation-AS-6:

Depreciation on Fixed Assets is provided under Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956, except for intangible assets.

6) Intangible Assets- Amortisation Expense Under AS-26 :

The intangible assets shall be amortized over a period of not exceeding ten years on a straight line method except in the case of software which shall be amortized over a period of not exceeding five years from the date when the asset is available for use or for the period of licence/legal rights whichever is earlier. The amortization period and the amortization method shall be reviewed at each financial year end and if the expected useful life of the asset is significantly different from the previous estimates, the amortization period shall be changed accordingly.

7) Currency Translation – AS-11:

Transactions in foreign currency are accounted at the applicable exchange rate prevailing on the date of transaction. Foreign exchange fluctuation is recognized in the Statement of Profit and Loss at the time the amount is received or paid. Monetary Assets and Liabilities relating to the foreign currency transactions remaining unsettled at the year end are translated at year end at applicable exchange rates or at which they are settled subsequently and the variances are recognized in the Statement of Profit and Loss.

8) Net Profit or Loss for the period, Prior Period Items and changes in Accounting policies - AS - 5:

All items of income and expenses which are recognized in a period are included in the determination of net profit or loss for the period unless an Accounting Standard requires or permits otherwise. Prior period items are recognized as income or expenses which arise in the current period as a result of errors or omissions in the preparation of financial statements of one or more prior period(s).

9) Impairment of Assets – AS-28:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

10) Provision, Contingent Liabilities and Contingent Assets – AS-29:

Provisions, involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11) Provision for Doubtful Debts and Advances:

Provision for doubtful debts is generally made for debts outstanding for more than three years except for debts due from Central/State Governments, Central/State Government Departments and Central/State Autonomous Bodies, Public Sector Undertakings for which provision is made on case to case basis.

12) Investments:

Investments are classified as "Non-current Investments" and "Current Investments" as per the Revised Schedule VI to the Companies Act, 1956 applicable from the Financial Year 2011-12. The carrying amount for current investments is the lower of cost and fair value determined either on an individual investment basis or by category of investment, but not on an overall (or global) basis. Non-current Investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a Non-current investment, the carrying amount is reduced to recognize the decline. On disposal of an investment, the difference (Gain or Loss) between the carrying amount and the disposal proceeds, net of expenses, is recognized in the Statement of Profit and Loss.

(₹ in lakhs)

		As at 31st March 2013	As at 31st March 2012
1	CONTINGENT LIABILITIES AND COMMITMENTS: (to the extent not provided for)		
	(i) Contingent Liability:		
	(a) Claims against the company not acknowledged as debt:-		
	(i) Karnataka Value Added Tax and Central Sales Tax demands disputed at Hon'ble Supreme Court	37,321.41	37,321.41
	(ii) Service Tax demand disputed at CESTAT, Bangalore	106.01	106.01
	(iii) Liquidated damage claimed by a customer	2,189.00	2,189.00
	(b) Guarantees;	No Guarantee has been issued by the Company to result in contingent liability.	No Guarantee has been issued by the Company to result in contingent liability.
	(c) Other money for which the Company is contingently liable	NIL	NIL
	ii) Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	NIL	60.16
	(b) Other commitments	NIL	NIL
2	(i) The amount of Dividend proposed to be distributed to Equity Shareholders for the period :	3,542.00	3,420.00
	(ii) Related amount per Share :	0.04	0.03
3	Opinion of the Board about any of the assets other than fixed assets and non-current investments do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.	Board is of the opinion that such assets will have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.	Board is of the opinion that such assets will have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

4	a) Consumption of stores and spare parts i) Imported ii) Indigenously Procured	Disclosure is exempted vide Order No.46/8/2013-CL-III dated 04.06.2013 issued by Ministry of Corporate Affairs, Govt of India	Disclosure is exempted vide Order No.56/12/2012-CL-III dated 31.07.2012 issued by Ministry of Corporate Affairs, Govt of India
	b) 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;	-do-	-do-
	c) Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;	-do-	-do-
	d) Total value of all Imported raw materials, Spare parts & Components consumed during the financial year and the total value of all indigenous raw materials, spare parts & components similarly consumed and the percentage of each to the total consumption.	-do-	-do-
	e) The amount remitted during the year in foreign currencies on account of dividend with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividend were due and the year to which the dividends related	-NA-	-NA-
	f) Earnings in foreign exchange classified under the following heads, namely:- i. Export of goods calculated on F.O.B. basis;	Disclosure is exempted vide Order No.46/8/2013-CL-III dated 04.06.2013 issued by Ministry of Corporate Affairs, Govt of India	Disclosure is exempted vide Order No.56/12/2012-CL-III dated 31.07.2012 issued by Ministry of Corporate Affairs, Govt of India
	ii. Royalty, know-how, professional and consultation fees;	-do-	-do-
	iii. Interest and dividend;	-NIL-	-NIL-
	iv. Other income, indicating the nature thereof	-NIL-	-NIL-

5. The Details of the Year End Currency Translation in respect of:

Particulars	Year End Currency Translation (₹ in lakhs)	Dr/ Cr.	Profit and Loss Statement
Banks EEFC Current	133.13	Cr	Credited to Other Income
Accounts and Assets and Liabilities	(559.00)	Cr	(Credited to Other Income)

Previous year's figures are shown in bracket

"Cr" denotes "Credit"

- Bank Deposits with more than 12 months maturity includes a Fixed Deposit with Canara Bank for a sum of ₹0.31 lakhs (Previous year ₹0.29 lakhs) in favour of "Assistant Commissioner of Commercial Taxes, Dist-"V" Circle, Bangalore A/c Antrix Corporation Limited" as security.
- Against the Bank Guarantees issued by State Bank of India (Previous year-Canara Bank and State Bank of India) on behalf of the company for a total value of USD 20,000 & USD 1,10,000 equivalent to ₹71.24 lakhs (Previous year ₹161.71 lakhs), the Company has pledged a fixed deposit for ₹600.00 lakhs with State Bank of India (Previous Year – ₹20.00 lakhs with Canara Bank and ₹500.00 lakhs with State Bank of India). However, Company is earning interest at Card rates on the above Fixed Deposits. At present, there is no incident of "Provision" as defined in AS-29 and accordingly disclosure under Paragraph 66 and 67 of the said AS does not arise.
- Against the demand of ₹20,102.00 lakhs under KVAT and ₹493.00 lakhs under CST Act (in aggregate ₹20,595.00 lakhs) inclusive of penalty and interest for the period from 01.04.2005 to 31.07.2008, the Company had moved the Hon'ble High Court of Karnataka against the Order of Commercial Tax Authorities and the Division Bench of the Hon'ble High Court of Karnataka had passed an Order upholding the demand of the Commercial Tax Department. Aggrieved by this Court Order, the Company had moved the Hon'ble Supreme Court. The Hon'ble Supreme Court had passed an Interim Order dated 12.03.2010 directing the Company to deposit a sum of ₹5,000.00 lakhs with Karnataka Commercial Tax Department. The Company has also paid KVAT amounting to ₹250.00 lakhs and CST amounting to ₹662.00 lakhs to the Commercial tax Department "under protest" aggregating to ₹912.00 lakhs which is disclosed under Non-current assets-Long term Loans and Advances. The Hon'ble Supreme Court also directed the Company to implement the impugned order of the Karnataka High Court in future, which was subsequently stayed by their second Interim Order dated 03.05.2010. The Hon'ble Supreme court had also directed as follows - "let the assessing officer proceed with assessment proceedings. However, no recovery will be made till further orders". The matter is subjudice.
- As per the Interim Order dated 3.5.2010 of the Hon'ble Supreme Court of India, the Assessing Officer assessed the revenue of the Company for the further period from 01.08.2008 to 31.03.2010 and passed an order dated 19.8.2010 levying KVAT of ₹16,712.00 lakhs and revised the same vide order dated 30.04.2012 to ₹16,726.00 lakhs including interest and penalty. The Company has filed a WP No.30308/2010 against the assessment order before the Hon'ble High Court of Karnataka. The Hon'ble High Court had admitted the petition and the matter is subjudice.
- The Commissioner Service Tax, Large Tax Payer Unit, Bangalore has levied a Service Tax demand amounting to ₹53.01 lakhs under the category of Erection, Commissioning and Installation and a penalty of ₹53.00 lakhs aggregating to ₹106.01 lakhs on the projects executed by the Company during the years 2003 to 2005. An appeal against this order was filed before the Customs, Excise and Service Tax Appellant Tribunal (CESTAT), Bangalore on 6.8.2010. The matter came up twice before the Tribunal on 08.10.2010 and 07.01.2011 and was adjourned for want of clearance of the Committee on Disputes (COD). COD met on 27.01.2011 and conveyed their clearance for the Company to file an appeal before the Tribunal vide their letter No.COD/08/2011 dated 07.02.2011. The CESTAT vide stay Order No.51/2012 dated 12.01.2012 waived pre-deposit and the adjudged dues; and stayed the recovery of the same. The Dy Commissioner of Service Tax vide letter No.V/15/Antrix/16/2009-GLT-1 dated 07.01.2013, intimated the vacation of stay granted by CESTAT as per Sub Section 2A of Section 35C of the Central Excise Act, 1944 as made applicable to Service tax matter under Section 83 of the Finance Act, 1994 and demand payment

of ₹53.01 lakhs along with interest and penalty of ₹53.00 lakhs. Against this demand, the Company filed a writ petition before the Hon'ble High Court of Karnataka praying to quash the order dated 07.01.2013. The High Court in its Order dated 04.02.2013 directed the Tribunal to dispose the appeal expeditiously and granted stay on recovery upto the date of disposal of issue by the Tribunal. The matter is now pending with the Tribunal.

11. The Department of Space vide letter No. B.31012/3/2011-Sec.5 dated. 23/02/2011 directed the Company to annul the agreement entered into by the Company with M/s. Devas Multimedia Private Limited (Devas) on 28.01.2005. The Company had terminated the agreement with immediate effect vide letter No. Antx/07-85(02)/2011 dated 25.02.2011, intimating the policy decision of the Central Government, not to provide orbital slot in S-band to the Company for commercial activities. This policy decision of the Central Government, acting in its sovereign capacity, is an event of force majeure occurred on 23/02/2011 which is likely to be indefinite and is beyond the reasonable control of the Company. This force majeure event is covered under Art.11 (b) (v) of the Agreement. Any possibility of resumption of the obligations by the Company under the Agreement stand excluded with this termination. The Company, on termination of the agreement, had refunded during 2011-12 the upfront reservation charges of ₹5,837.00 lakhs received from Devas. However, Devas had not accepted the refund and had returned the said amount to the Company.

Devas had filed a Request for arbitration on 29.06.2011 before the International Chamber of Commerce (ICC), Paris seeking restoration of the agreement. The Company had not agreed for arbitration under ICC and conveyed it to ICC vide letter dated 11.07.2011 and also reiterated it in all its subsequent correspondence with ICC. The Company had invoked arbitration proceedings as provided under the Agreement and had issued a notice for Arbitration to Devas on 30.07.2011. The Company had moved the Hon'ble Supreme Court of India seeking directions to Devas to appoint Arbitrators in accordance with the agreement. The arbitration petition filed by the company was dismissed by the Hon'ble Supreme Court of India on May 10, 2013 with liberty to take recourse to other provisions of the Indian Arbitration and Conciliation Act, 1996. Advice of the Ld. Solicitor General of India was sought, through the Department, on the options available before Antrix in the light of the order dated May 10, 2013 of the Hon'ble Supreme Court of India. The opinion of Ld.SGI is awaited. Meanwhile, M/s Devas has informed of their intention to limit their claim before ICC Tribunal to damages and not for specific performance of the agreement.

The Company had also filed arbitration application and suit before the Additional City Civil Judge, Bangalore praying for injunction on the ICC proceedings initiated by Devas and an award that invocation of arbitration by Devas is not in accordance with the agreement. Antrix completed its arguments in the arbitration petition (u/s 9 of the Arbitration and Conciliation Act, 1996) in the civil suit filed before the court of Additional City Civil Judge, Bangalore. The matter is now posted for hearing on July 15, 2013.

On final settlement of the arbitration award, suitable accounting treatment will be made in the Accounts of the year of acceptance of the award.

12. The provision for Gratuity & Leave Encashment are made on the basis of Actuary valuation as per Accounting Standard (AS) – 15 (Revised) and the following are the disclosures:-

A. Gratuity

TABLE 1 - AMOUNT TO BE RECOGNIZED IN BALANCE SHEET

	As on	
	31 st March 13	31 st March 12
	(₹ in lakhs)	
Present Value of Unfunded Obligations	9.52	6.20
Amount in Balance Sheet		
Liability – Current	0.42	0.32
Liability – Non-Current	9.10	5.88
Assets	0.00	0.00
Net Liability	9.52	6.20

TABLE 2 - EXPENSE TO BE RECOGNIZED IN STATEMENT OF PROFIT & LOSS

	Year Ended	
	31 st March 13	31 st March 12
	(₹ in lakhs)	
Current Service Cost	0.83	0.97
Interest on Defined Benefit Obligation	0.60	0.51
Net Actuarial Losses / (Gain) Recognized in Year	4.16	1.81
Total, Included in "Employee Benefit Expense"	5.59	3.29

TABLE 3 - RECONCILIATION OF BENEFIT OBLIGATION & PLAN ASSETS FOR THE YEAR

	Year Ended	
	31 st March 13	31 st March 12
	(₹ in lakhs)	
<u>Changes in Defined Benefit Obligation</u>		
Opening Defined Benefit Obligation	6.20	5.17
Current Service Cost	0.83	0.97
Interest Cost	0.60	0.51
Actuarial Losses / (Gain)	4.15	1.81
Benefits paid	(2.26)	(2.26)
Closing Defined Benefit Obligation	9.52	6.20
<u>Changes in Fair Value of Assets</u>		
Opening Fair Value of Plan Assets	0.00	0.00
Contribution by Employer	2.26	2.26
Benefits Paid	(2.26)	(2.26)
Closing Fair Value of Plan Assets	0.00	0.00
Expected Employer's Contribution Next Year	0.43	0.32

TABLE 4 - ASSET INFORMATION - NIL**TABLE 5 - EXPERIENCE ADJUSTMENTS**

	Year Ended	
	31 st March 13	31 st March 12
	(₹ in lakhs)	
Defined Benefit Obligation	9.52	6.20
Plan Assets	0	0
Surplus /(Deficit)	(9.52)	(6.20)
Exp. Adj. on Plan Liabilities	2.57	1.29
Exp. Adj. on Plan Assets	0	0

TABLE 6 - SUMMARY OF PRINCIPAL ACTUARIAL ASSUMPTIONS

FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:		
	Year Ended	
	31 st March 13	31 st March 12
Discount Rate (p.a)	8.15%	8.70%
Expected Rate of Return on Assets (p.a)	0.00%	0.00%
Salary Escalation Rate (p.a.)	11.00% for first 5 years and 7% thereafter	7.00%

DEMOGRAPHIC ASSUMPTIONS AT THE VALUATION DATE :**Retirement Age:**

The employees of the Company are assumed to retire at the age of 60 years.

Leaving Service:

Rates of leaving service at specimen ages are as shown below:

Age (Years)	Rates p.a
21-30	5%
31-40	3%
41-59	2%

Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

(B) Leave Encashment-Disclosure

Para 132 of AS15(R) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard No.5 or Accounting Standard No.18.

13. The details of Prior Period Items (Credit and Debit) are as under:-

	Particulars	For year ended 31st March 2013 (₹in lakhs)	For year ended 31st March 2012 (₹in lakhs)
A	CREDITED TO PRIOR PERIOD ITEMS:		
a	Space Segment Capacity Charges receipts (net of cost)	160.81	0.00
b	Foreign Consultancy Receipts (Net of cost)	48.41	0.00
c	Inland Consultancy Receipts (Net of cost)	0.27	0.00
d	Access Fee and Royalty Receipts (Net of cost)	11.40	0.00
e	Export	1.12	0.00
f	Cost of Export reversed	3.18	0.00
g	Salary excess accounted recovered	0.33	0.02
h	Bank charges reimbursement	0.54	0.00
i	Printing & Stationary reversed	0.05	0.00
j	Traveling Expense reversed	0.03	0.00
k	Establishment Expenses reversed	0.69	0.00
l	Hospitality and Entertainment reversed	0.04	0.00
m	Cost and expenses accounted in earlier years reversed	0.00	88.22
n	Cost of AFR (Net) accounted in earlier years reversed	0.00	42.24
o	Advertisement charges reversed	0.00	0.15
p	FE Fluctuation relating to earlier year	0.00	0.38
q	Cost of Consultancy Receipts (Net) accounted in earlier years reversed	0.00	3.26
A	Total [(a) to (q)]	226.87	134.27

	Particulars	For year ended 31 st March 2013 (₹ in lakhs)	For year ended 31 st March 2012 (₹ in lakhs)
B	DEBITED TO PRIOR PERIOD ITEMS:		
i	Space Segment Capacity Charges Receipts (Net of cost) accounted in earlier years reversed	61.84	31.34
ii	Cost of Export	3.22	0.00
iii	Cost of Space Segment charges	112.87	0
iv	Access Fee Receipt (Net of cost) accounted in earlier years reversed	67.67	16.06
v	Cost of Inland Sales	9.29	0.00
vi	Cost of Consultancy Receipt	0.82	0.00
vii	Liquidated Damage Receipts Refunded	0.50	0.00
viii	Office Expenses	0.53	0.00
ix	Traveling Expenses	0.66	0.00
x	Non recoverable Service Tax	2.04	0.00
xi	Bank Guarantee Commission	0.41	0.00
xii	Non recoverable TDS	0.001	0.00
xiii	Communication Expenses	0.12	0.00
xiv	Repairs and Maintenance - Others	0.28	0.00
xv	NOC Charges	0.00	0.81
xvi	Penal Interest Income accounted in earlier years reversed	0.00	26.98
xvii	Rates & Taxes	0.00	28.62
xviii	Traveling Expenses reversed	0.00	4.32
xix	Consultancy Income accounted in earlier years reversed	0.00	3.96
xx	Export value excess accounted reversed	0.00	1.33
B	Total [(i) to (xx)]	260.25	113.42
	Net Debit [B - A] for current year	33.38	
	Net Credit [A - B] for previous year		20.85

14. The break-up of Deferred Tax Assets into major components as required under AS-22 is as under:-

	As on 31 st March 2013 (₹ in lakhs)	As on 31 st March 2012 (₹ in lakhs)
DEFERRED TAX ASSETS:		
(i) Provision for Doubtful Debts	1,050.52	1,014.48
(ii) Provision for Gratuity	3.09	2.01
(iii) Provision for Leave Encashment	6.49	3.89
(iv) Accumulated Depreciation	0.00	1.27
Total	1,060.10	1,021.65
DEFERRED TAX LIABILITIES:		
(1) Accumulated Depreciation	1.04	0.00
Total	1.04	0.00
Net Deferred Tax Assets	1,059.06	1,021.65

15. Disclosure under Accounting Standard AS-26:

(a)	Class of intangible assets	Computer Software
(b)	Nature of Intangible Assets	Bought out computer Software
(c)	Useful lives or the amortisation rates used	5 years from the year during which the Computer software is available for use
(d)	Amortisation methods used	Straight Line Method
(e)	Gross carrying amount	₹ 23.63 lakhs
(f)	Accumulated amortisation	₹ 10.75 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 -H
(i)	Additions, indicating separately those from internal development and through amalgamation	Bought out Software of ₹ 16.29 lakhs (there is no software internally developed or through Amalgamation)
(j)	Retirements and disposals	NIL
(k)	Impairment losses recognized 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 recognised during the period	₹ 5.16 lakhs
(n)	Other changes in the carrying amount during the period.	Cost of Computers and Peripherals ₹ 3.42 lakhs and Corresponding depreciation upto 2011-12 of ₹ 3.27 lakhs incorrectly classified in earlier year as computer software is rectified in the carrying amount during the period.

16. Dr.V.S.Hegde, Chairman-cum-Managing Director and Shri.S.Parameswaran, Executive Director are Key Management Personnel as per Accounting Standard "AS 18 – Related Party Disclosures". There are no transactions with the said related parties during the year.
17. There are no incidents of impairment of assets as per Accounting Standard AS-28 during the financial year.
18. There is no sum due to be paid to any Micro, Small and Medium Enterprises in terms of the provisions of Micro, Small and Medium Enterprises Development Act, 2006.
19. The Company has requested confirmation of balance as on 31st March 2013 from majority of customers and has received response from a few customers.
20. The Company has completed the reconciliation of DOS/ISRO-Antrix accounts pertaining to INSAT transponder leasing for the period from 2003-04 to 2010-11 and is in the process of obtaining confirmation from Department of Space.
21. The Income Tax Refund due as per Books of account is being reconciled with credits available with TRACES of IT Department and also with the TDS Certificates in Form 16A received. The company has also taken up the matter with Deductees for rectification of e-filing of TDS Returns or to remit the sum to the credit of Central Government in our account where such deduction are not supported by the credits in TRACES of IT Department as well as TDS certificates in Form 16A.

22. Figures have been rounded off to the nearest rupees in lakhs and figures for the previous year have been regrouped/ rearranged wherever necessary to conform with the presentation of the current year.

**As per our report attached
For Gnanoba & Bhat
Chartered Accountants
Firm Reg No.000939S**

For and on behalf of the Board

Sd/-
(K R Gnanoba)
Partner
M N.23137

Sd/-
(S Parameswaran)
Executive Director

Sd/-
(V S Hegde)
Chairman-cum-Managing Director

Place : Bangalore
Date : 26.06.2013

Place : Bangalore
Date : 26.06.2013

CASH FLOW STATEMENT

(₹ in Lakhs)

PARTICULARS	For the year ended 31.03.2013		For the year ended 31.03.2012	
Cash flow from operating activities:				
Net Profit before taxation		25,394.63		24,482.26
Adjustment for :				
Depreciation and amortisation expenses	117.84		9.69	
Provision for Gratuity	3.32		1.03	
Provision for Leave Encashment	8.03		6.27	
Provision for Doubtful Debts	111.05		420.81	
Liability no longer required written back	-		(278.91)	
Excess Depreciation written back	(0.43)			
		239.81		158.89
		25,634.44		24,641.15
Adjustment for :				
Profit on sale of Fixed assets			0.34	
Foreign currency transaction and translation	(133.13)		(559.00)	
Interest Receipt from Bank	(9,922.93)		(9,868.69)	
Capital gain from MF	(1,154.65)		(577.80)	
Dividend Receipts from MF	(741.82)		(937.38)	
		(11,952.53)		(11,942.53)
Operating Profit before working capital changes		13,681.91		12,698.62
Increase in Trades payables			9,343.09	
Decrease in Trades payables	(5,263.59)		-	
Increase in Liabilities and Provisions	24,760.11		7,840.32	
Increase in Trades Receivables	(15,335.58)		(11,727.10)	
Increase in Loans, Advances and other current Assets	(14,570.58)		(7,369.72)	
		(10,409.64)		(1,913.41)
Cash generated from operations		3,272.27		10,785.21
Income tax Paid		(749.67)		(918.54)
Tax Deducted at Source by others		(10,307.90)		(8,526.80)
Net cash from operating activities		(7,785.30)		1,339.87
Cash flow from investing activities:				
Purchase of Fixed Assets	(1,633.71)		(739.55)	
Proceeds from sale of equipments	-		(0.34)	
Foreign currency Translation Variance	133.13		559.00	
Interest Receipt from Bank	9,922.93		9,868.69	

Capital gain from MF	1,154.65		577.80	
Dividend Receipts from MF	741.82		937.38	
Increase in Investments			(3,690.35)	
Decrease in Investments	4,308.32		-	
Decrease in Accrued interest on Bank FD	1,018.88		-	
Increase in Accrued interest on Bank FD	-		(3,475.09)	
Net cash from investing activities		15,646.02		4,037.54
Cash flow from financing activities:				
Dividend Paid	(3,420.00)		(2,778.00)	
Dividend Distribution Tax Paid	(554.81)		(461.39)	
Net cash used in financing activities		(3,974.81)		(3,239.39)
Net increase in cash and cash Equivalents		3,885.91		2,138.04
Cash and cash equivalents at the beginning of the year		98,903.51		96,765.47
Cash and cash equivalents at the end of the year		1,02,789.42		98,903.51

As per our report attached
For Gnanoba & Bhat
Chartered Accountants
Firm Reg No.000939S

For and on behalf of the Board

Sd/-
(K R Gnanoba)
Partner
M N.23137

Sd/-
(S Parameswaran)
Executive Director

Sd/-
(V S Hegde)
Chairman-cum-Managing Director

Place : Bangalore
Date : 26.06.2013

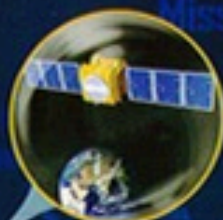
Place : Bangalore
Date : 26.06.2013

Satellite Subsystems & Transponder leasing

Satellite Subsystems
Customisation

Transponder leasing
High Quality Audio, Video and Data Services

Creating Value from Space



Mission Support Services

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In any frequency. In any Orbit

Satellites
Proven Performance in Space



Launch Services

Launch Services
Placing Multiple Satellites in one Mission



Remote Sensing Services

Remote Sensing Services
Provision of RS Satellites



Testing & Validation

Testing & Validation
Satellite and Component Testing



ANTRIX CORPORATION LIMITED

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Antariksh Bhavan, New BEL Road, Bangalore-560 231
Phone: +91 80 2217 8302/31/11, Fax: +91 80 2217 8337
Website: www.antrix.gov.in