

**INDEPENDENT AUDITOR'S REPORT**

To the Members of You Broadband India Limited

Report on the Audit of the IND AS Financial Statements

**Opinion**

We have audited the accompanying IND AS financial statements of You Broadband India Limited ("the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the IND AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 49 in the financial statements, which indicates that Company's current liabilities exceeded its current assets by Rs 23,972 Lakhs which indicate the existence of material uncertainty on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is largely dependent upon the holding company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

The annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

#### Responsibility of Management for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

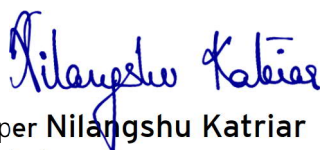
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls with reference to these IND AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements – Refer Note 34 and 50 to the IND AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004



per **Nilangshu Katriar**  
Partner

Membership Number: 58814  
UDIN: 21058814AAAAAQ8353

Place: Mumbai  
Date: June 25, 2021

Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date

Re: You Broadband India Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company, except for certain network assets which due to their nature and location are not verifiable, has a program of physical verification of fixed assets to cover all the items in phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to such program, Admin assets and assets at Internet Data Center were physically verified by the management during the year. Further, existence of Customer Premise Equipment (CPE) installed at customer premises were verified based on 'active user' status in the system and Optical Fibre Cable (OFC) were verified based on the Fibre Deployment Report. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the service of Internet Broadband Services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employee's state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales-tax, service tax, duty of excise, value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to, sales-tax, service tax, duty of excise, value added tax are not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	624	2007-12	Customs Excise and Service tax Appellate Tribunal
Karnataka Value Added Tax Act	Value Added Tax	7	2008-09 & 2013-14	Assistant Commissioner of Commercial taxes
Gujarat Value Added Tax Act	Value Added Tax	-*	2015-17	Assistant Commissioner of Commercial taxes
Customs Act, 1962	Custom Duty	5	2015-16	Commissioner of Customs - Bonded warehouse

\*Number is below one lakh under the rounding off convention adopted by the Company and accordingly not reported.

Amount paid under protest in respect of Service tax is Rs 24 lakhs.

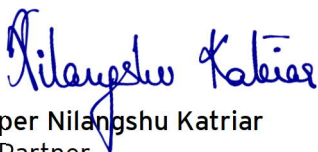
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004



per Nilangshu Katriar  
Partner

Membership Number: 58814  
UDIN: 21058814AAAAAQ8353

Place: Mumbai  
Date: June 25, 2021

Annexure 2 to the Independent Auditor's report of even date on the Ind AS Financial Statements of You Broadband India Limited

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

We have audited the internal financial controls with reference to IND AS financial statements of You Broadband India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these IND AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these IND AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these IND AS financial statements.

#### Meaning of Internal Financial Controls With Reference to these IND AS Financial Statements

A company's internal financial controls with reference to these IND AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these IND AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the



Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls With Reference to these IND AS Financial Statements

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

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these IND AS financial statements and such internal financial controls with reference to these IND AS financial statements were operating effectively as at March 31, 2021, based on [the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India .

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Nilangshu Katriar

Partner

Membership Number: 58814

UDIN: 21058814AAAAAQ8353

Place: Mumbai

Date: June 25, 2021

**YOU BROADBAND INDIA LIMITED**  
**Financial Statements**  
**For the year ended March 31, 2021**

# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Balance Sheet as at March 31, 2021

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 (refer note 32)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including RoU Assets)	6	23,930	26,264
Capital work-in-progress		696	908
Intangible assets	7	28	27
Intangible assets under development		-	1
<b>Financial assets</b>			
Other non-current financial assets	8	314	357
Other non-current assets	9	103	682
<b>Total non-current assets (A)</b>		<b>25,071</b>	<b>28,239</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	10	155	380
Cash and cash equivalents	11	1,697	617
Bank balance other than cash and cash equivalents	12	257	253
Other current financial assets	13	8	2
Other current assets	14	776	1,036
<b>Total current assets (B)</b>		<b>2,893</b>	<b>2,288</b>
<b>Total Assets (A+B)</b>		<b>27,964</b>	<b>30,527</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	15	7,500	7,500
Other equity	16	(7,292)	(7,203)
<b>Total equity (C)</b>		<b>208</b>	<b>297</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		23	27
Other non-current financial liabilities	17	756	942
Long term provisions	18	-	6
Other non-current liabilities	19	112	85
<b>Total non-current liabilities (D)</b>		<b>891</b>	<b>1,060</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Short term borrowings	20	9,325	11,028
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	11	5
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,442	3,965
Other current financial liabilities	22	4,206	4,730
Other current liabilities	23	9,857	9,442
Short term provisions	24	24	-
<b>Total current liabilities (E)</b>		<b>26,865</b>	<b>29,170</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>27,964</b>	<b>30,527</b>

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

*Nilangshu Katriar*

Nilangshu Katriar

Partner

Membership No.: 58814



For and on behalf of the Board of Directors of  
You Broadband India Limited

Suraj Kalra

Director  
(DIN:08016758)

Tridib Ghosh Dastider

Chief Financial Officer

*EVS Chakravarty*

EVS Chakravarty  
Managing Director & CEO  
(DIN:00603085)

*Lakshmisree Chakraborty*

Lakshmisree Chakraborty  
Company Secretary  
(ACS:16400)



Place: Mumbai

Date: June 25, 2021

Place: Mumbai

Date: June 25, 2021

# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (refer note 32)
<b>Income</b>			
Service revenue (including amount referred in note 45)		18,137	18,061
Other operating income	25	238	567
<b>Revenue from operations</b>		<b>18,375</b>	<b>18,628</b>
Interest income		115	21
<b>Total income</b>		<b>18,490</b>	<b>18,649</b>
<b>Operating Expenditure</b>			
Employee benefit expenses	26	1,990	2,253
Network expenses and IT outsourcing cost	27	6,992	6,319
License fees		36	54
Subscriber acquisition and servicing expenditure	28	2,071	2,437
Advertisement and business promotion expenditure		57	327
Other expenses	29	1,014	1,371
		<b>12,160</b>	<b>12,761</b>
<b>Profit/(Loss) before finance costs, depreciation, amortisation, exceptional items and tax</b>		<b>6,330</b>	<b>5,888</b>
Finance costs	30	856	1,000
Depreciation	6	5,215	5,922
Amortisation	7	2	2
<b>Profit/(Loss) before exceptional items and tax</b>		<b>257</b>	<b>(1,036)</b>
Exceptional items	31	304	2,535
<b>Profit/(Loss) before tax</b>		<b>(47)</b>	<b>(3,571)</b>
<b>Tax expense:</b>			
- Current tax	42	23	-
- Deferred tax	43	5	7
<b>Profit/(Loss) after tax</b>		<b>(75)</b>	<b>(3,578)</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) of defined benefit plans	40	(19)	(31)
Income tax effect	43	5	7
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(14)</b>	<b>(24)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(89)</b>	<b>(3,602)</b>
<b>Earning/(Loss) per equity share of ₹ 10 each:</b>	44		
Basic (₹)		<b>(0.10)</b>	<b>(5.08)</b>
Diluted (₹)		<b>(0.10)</b>	<b>(5.08)</b>

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

*Nilangshu Katriar*  
Nilangshu Katriar  
Partner

Membership No.: 58814



**For and on behalf of the Board of Directors of  
You Broadband India Limited**

*Suraj Kalra*  
Suraj Kalra

Director  
(DIN:08016758)

*Tridib Ghosh Dastider*

Tridib Ghosh Dastider  
Chief Financial Officer



*EVS Chakravarthy*  
EVS Chakravarthy

Managing Director & CEO  
(DIN:00603085)

*Lakshmisree Chakraborty*

Lakshmisree Chakraborty  
Company Secretary  
(ACS:16400)

Place: Mumbai

Date: June 25, 2021

Place: Mumbai

Date: June 25, 2021

# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Statement of Changes in Equity for the year ended March 31, 2021

### A. Equity share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	Amount
As at April 1, 2019	47,345,392	4,735
Issued during the year (refer note 15)	27,659,568	2,765
As at March 31, 2020	75,004,960	7,500
Issued during the year	-	-
As at March 31, 2021	75,004,960	7,500

### B. Other equity

Particulars	Reserves and surplus			Total
	Capital reserve	Securities premium	Retained earnings	
As at April 1, 2019	268	-	(7,520)	(7,252)
Pursuant to merger of YOU System Integration Private Limited (refer note 32)	-	-	(76)	(76)
Restated balance as at April 1, 2019	268	-	(7,596)	(7,328)
Profit/(Loss) for the year ended March 31, 2020	-	-	(3,578)	(3,578)
Other comprehensive income/(loss) for the year ended March 31, 2020	-	-	(24)	(24)
Total comprehensive income/(loss)	-	-	(3,602)	
Premium on Right issue of shares during the year	-	3,734	-	3,734
Share issue expenses	-	(7)	-	(7)
As at March 31, 2020	268	3,727	(11,198)	(7,203)
Profit/(Loss) for the year ended March 31, 2021	-	-	(75)	(75)
Other comprehensive income/(loss) for the year ended March 31, 2021	-	-	(14)	(14)
Total comprehensive income/(loss)	-	-	(89)	
As at March 31, 2021	268	3,727	(11,287)	(7,292)

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

*Nilangshu Katriar*

Nilangshu Katriar

Partner

Membership No.: 58814



For and on behalf of the Board of Directors of  
You Broadband India Limited

*Suraj Kalra*  
Suraj Kalra  
Director  
(DIN:08016758)

*Tridib Ghosh Dastider*

Tridib Ghosh Dastider  
Chief Financial Officer

*EVS Chakravarthy*  
EVS Chakravarthy  
Managing Director & CEO  
(DIN:00603085)

*Lakshmisree Chakraborty*

Lakshmisree Chakraborty  
Company Secretary  
(ACS:16400)



Place: Mumbai

Date: June 25, 2021

Place: Mumbai

Date: June 25, 2021

# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Statement of Cash Flows for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Operating activities</b>		
Profit/(Loss) before tax	(47)	(3,571)
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation of property, plant and equipment (including RoU Assets)	5,215	5,922
Amortisation of intangible assets	2	2
Share-based payment expense (ESOS)	4	-
Loss/(Gain) on disposal of property, plant and equipment (net)	96	178
Finance costs (including Fair value change in Financial instruments)	856	921
Provision for gratuity and compensated absences	(1)	(63)
Allowance for doubtful debts / advances	(68)	(370)
Bad debts / advances written off	101	313
Liabilities / provisions no longer required written back	(226)	(562)
Write off of capital work-in-progress	-	(32)
Write off of Property, Plant and Equipment	289	-
Interest income	(115)	(21)
<b>Working capital adjustments</b>		
Decrease in trade receivables	158	432
Decrease in other financial and non-financial assets	352	482
(Decrease) in trade payables	(520)	(608)
(Decrease)/Increase in other financial and non-financial liabilities	(135)	3,984
<b>Cash flows from operating activities</b>	<b>5,961</b>	<b>7,007</b>
Income tax refund/(paid) (including TDS) (net)	603	(221)
<b>Net cash flows from operating activities</b>	<b>6,564</b>	<b>6,786</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(3,062)	(5,270)
Proceeds from sale of property, plant and equipment and intangible assets	7	16
Interest received	43	20
<b>Net cash flows (used in) investing activities</b>	<b>(3,012)</b>	<b>(5,234)</b>
<b>Financing activities</b>		
Payment of interest and finance charges	(1)	(909)
Payment of lease liabilities	(768)	(924)
Proceeds from right issue of shares	-	6,499
Stamp duty on issue of shares	-	(7)
Proceeds from short term borrowings	9,400	574
Repayment of short term borrowings	(11,103)	(6,283)
<b>Net cash flows (used in) financing activities</b>	<b>(2,472)</b>	<b>(1,050)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,080</b>	<b>502</b>
Cash and cash equivalents at the beginning of the year	617	115
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>1,697</b>	<b>617</b>



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## 1. Disclosure of changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	Short term borrowings	Changes in derivative assets / liabilities	Interest accrued but not due	Lease liabilities
<b>Balance as at March 31, 2019</b>	<b>16,737</b>	<b>63</b>	<b>92</b>	<b>-</b>
Transition impact of Ind AS 116	-	-	-	1,822
<b>Restated Balance as at April 1, 2019</b>	<b>16,737</b>	<b>63</b>	<b>92</b>	<b>1,822</b>
(i) Cash flow Items				
Net proceed / (repayment) of borrowings	(5,709)	-	-	-
Payment of Interest and finance charges	-	-	(909)	-
Payment of lease liabilities	-	-	-	(924)
(ii) Non - cash items				
Finance cost accrued (charged to profit and loss)	-	(63)	817	167
Additions	-	-	-	577
Disposals	-	-	-	(28)
<b>Balance as at March 31, 2020</b>	<b>11,028</b>	<b>-</b>	<b>-</b>	<b>1,614</b>
(i) Cash flow Items				
Net proceed / (repayment) of borrowings	(1,703)	-	-	-
Payment of Interest and finance charges	-	-	(1)	-
Payment of lease liabilities	-	-	-	(768)
(ii) Non - cash items				
Finance cost accrued (charged to profit and loss)	-	-	11	141
Additions	-	-	-	664
Disposals	-	-	-	(124)
<b>Balance as at March 31, 2021</b>	<b>9,325</b>	<b>-</b>	<b>10</b>	<b>1,527</b>

2. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

*Nilangshu Katriar*

**Nilangshu Katriar**  
Partner  
Membership No.: 58814



For and on behalf of the Board of Directors of  
You Broadband India Limited

*Suraj Kalra*

**Suraj Kalra**  
Director  
(DIN:08016758)

*Tridib Ghosh Dastider*

**Tridib Ghosh Dastider**  
Chief Financial Officer



*EVS Chakravarthy*

**EVS Chakravarthy**  
Managing Director & CEO  
(DIN:00603085)

*Lakshmisree Chakraborty*

**Lakshmisree Chakraborty**  
Company Secretary  
(ACS:16400)

Place: Mumbai  
Date: June 25, 2021

Place: Mumbai  
Date: June 25, 2021

# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

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### 1. Corporate Information

You Broadband India Limited (herein referred to as "YBIL" or "the Company"), a wholly owned subsidiary of Vodafone Idea Limited was incorporated on November 13, 2000 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is situated at plot no. 54, Marol Co-operative Industrial Estate, Makwana, Andheri (East), Mumbai – 400059, India.

The Company is engaged in providing high speed broadband internet access through cable network, high bandwidth internet broadband services to enterprise segment, infrastructure support to licensed telecommunication service providers.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 25, 2021.

### 2. Statement of compliance

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 3. Basis of preparation

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to lakhs unless otherwise stated.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act, 2013. The Board of Directors are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

### 4. Significant Accounting Policies

#### a) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or receive services and thus has the ability to direct the use and obtain the benefits from the goods or services. Revenue is measured at the Transaction price i.e. an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties. Taxes and duties collected by the seller / service provider are to be deposited with the government and not received by the Company on their own account. Accordingly, it is excluded from revenue. The Company evaluates its exposure to significant risks and reward associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard. Consideration payable to a customer includes cash or credit or other items expected to be payable to the customer (or to other parties that purchase the entity's goods or services from the customer). The Company accounts for consideration payable to a customer as a reduction from the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

#### i. Revenue from supply of services and sale of goods

##### Fixed line data revenue

Revenue on account of fixed line data services (net of discount, rebates, waivers and indirect taxes) is recognised on time proportion basis in accordance with related contracts. Installation charges are recognised as revenue on completion of installation.

##### Electronic devices and network equipment revenue

Revenue from sale of goods (excluding indirect taxes) is recognized on transfer of all significant risk and rewards of ownership to the buyer.





# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

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### Rental Income on optic fibre cable

Rental revenue on optic fibre cable are recognised on a monthly basis as per the contractual terms under agreements entered with customers.

### Multiple element contracts:

Bundle packages that include multiple elements, at the inception of the arrangement, the Company determines whether it is necessary to separate the separately identifiable elements and apply the corresponding revenue recognition policy to each elements. Total package revenue is allocated among the identified elements based on their relative standalone price.

### ii. Unbilled Income

Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

### iii. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 4 o) financial instruments – initial recognition and subsequent measurement.

### iv. Advance from customer and Deferred revenue

Advance from customer and deferred revenue is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Advance from customer and deferred revenue are recognised as revenue when the Company fulfils its performance obligations under the contract.

### v. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## b) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company's lease asset classes primarily consist of leases for immovable properties.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment (Refer note 4 l)



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

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### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification i.e. a change in the lease term or a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The re-measurement of lease liability is done by discounting the revised lease payments using the Company's incremental borrowing rate at the effective date of modification.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## c) Employee benefits

### i. Defined Contribution Plan

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

The Company has no obligation other than contribution payable to these funds.

### ii. Defined Benefit Plan

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund with the Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs; and
- Net interest expense or income

### ii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

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### iii. Share- based payments

Stock option of Vodafone Group Plc (VGPLC) granted to the employees of the Company are accounted as cash-settled share based payments by the Company.

The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the cash-settled employee benefits liability.

In respect of cancellation of unvested stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss.

### d) Annual revenue share license fees

The variable license fees, computed basis of adjusted gross revenue, are charged to the Statement of Profit and Loss in the period in which the related revenue arises as per the license agreement of the licensed service area at prescribed rate.

### e) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense which are non-recurring or outside of the ordinary course of business and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

---

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

### h) Current / Non – Current Classification

An asset is classified as current when

- a) It is expected to be realized or consumed in the respective company's normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is expected to be realized within twelve months after the reporting period; or
- d) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

- a) It is expected to be settled in the normal operating cycle of the respective companies;
- b) It is held primarily for the purposes of trading;
- c) It is expected to be settled within twelve months after the reporting period; or
- d) The respective companies have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as non-current.

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

Particulars	Estimated useful life (in years)
Leasehold improvements	Period of lease or 10 years whichever is lower
Plant and machinery	
Dark and Optic Fibre	15 years
Computer hardware	3 years
Other plant and equipment <sup>1</sup>	3 - 9 years
Office Equipments	5 years
Furniture and Fixtures	5 years
RoU Assets	
-Bandwidth (IRU)	Over the period of lease
-Others	3 to 5
Motor Vehicles	4 years

<sup>1</sup>Other plant and machinery include Hybrid Fibre Cable equipment, CAT 5 cables, modems, customer premise equipments, tools and equipments.

When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

### j) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of licenses is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the license.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management to be 3 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### k) Investment in subsidiary

Investments in subsidiary is recognised at cost as per Ind AS 27.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

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### l) Impairment of Non – Financial Assets

Tangible (including RoU assets) and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, an appropriate valuation model is used. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised in Statement of Profit and Loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.

Impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's (or cash generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### m) Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All borrowing costs are expensed in the period in which they are incurred

### n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### o) Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

#### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

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### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.

#### I. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans, etc.

#### II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



# You Broadband India Limited

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## Notes to Financial Statements

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ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. In case, an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in Statement of Profit and Loss.

### iii. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

### iv. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.





# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

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## Notes to Financial Statements

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### p) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances that caused the transfer or (b) at the end of each reporting period or (c) at the beginning of each reporting period.

### q) Earnings per share

The earnings considered in ascertaining the Company's Earnings per share (EPS) is the net profit after tax.

EPS is disclosed on basic and diluted basis. Basic EPS is computed by dividing the profit / loss for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

### r) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised.

### s) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control. Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.



# You Broadband India Limited

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## Notes to Financial Statements

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### t) Recent pronouncements

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021. The amendments are extensive and the Company will evaluate the applicability of the same to give effect to them as required by law.

### 5. Use of Estimates, assumptions and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### A. Estimates and Assumptions

##### i. Taxes

The company provide for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the company against which such assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details about taxes refer note 42 and 43.

##### ii. Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 40.

##### iii. Allowance for Trade receivable

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. Refer Note 10.



# You Broadband India Limited

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## Notes to Financial Statements

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### iv. Useful life of Property, Plant and Equipment and intangible assets

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation and amortisation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in Note 6.

### v. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluations of uncertain provisions and contingent liabilities and assets requires judgement and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer Note 34 for further details about Contingent liabilities.

### vi. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Company's credit rating.

### vii. Leases-Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

### viii. Impact of COVID-19 (Global pandemic)

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. The Company based on the internal and external information available and the current indicators, believes there is no significant impact on its financial performance, financial position and liquidity. Further, the Company is not expecting any material changes in estimates as of now as the Company is running its business operations as usual without any material disruptions in providing services and overall business continuity.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 6

#### Property, Plant and Equipment (including RoU Assets)

Particulars	Leasehold improvement	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	RoU Assets (refer note 35)	Total
<b>Cost</b>							
As at April 1, 2019	7	37,520	22	207	18	-	37,774
Transition impact of Ind AS 116	-	-	-	-	-	1,927	1,927
Reclassification on adoption of Ind AS 116	-	-	-	-	-	74	74
Pursuant to merger of YOU System Integration Private Limited (refer note 32)	-	3	-	-	-	-	3
<b>Restated balance as at April 1, 2019</b>	<b>7</b>	<b>37,523</b>	<b>22</b>	<b>207</b>	<b>18</b>	<b>2,001</b>	<b>39,778</b>
Additions	-	4,818	-	11	3	577	5,409
Disposals/Adjustments	-	(506)	(2)	(3)	(3)	(188)	(702)
<b>As at March 31, 2020</b>	<b>7</b>	<b>41,835</b>	<b>20</b>	<b>215</b>	<b>18</b>	<b>2,390</b>	<b>44,485</b>
Additions	-	2,730	2	-	-	664	3,396
Disposals/Adjustments	-	(1,366)	-	(1)	-	(575)	(1,942)
<b>As at March 31, 2021</b>	<b>7</b>	<b>43,199</b>	<b>22</b>	<b>214</b>	<b>18</b>	<b>2,479</b>	<b>45,939</b>
<b>Accumulated Depreciation</b>							
As at April 1, 2019	7	12,588	16	117	15	-	12,743
Reclassification on adoption of Ind AS 116	-	-	-	-	-	74	74
Pursuant to merger of YOU System Integration Private Limited (refer note 32)	-	3	-	-	-	-	3
<b>Restated balance as at April 1, 2019</b>	<b>7</b>	<b>12,591</b>	<b>16</b>	<b>117</b>	<b>15</b>	<b>74</b>	<b>12,820</b>
Depreciation charge for the year	-	5,028	2	40	3	849	5,922
Disposals/Adjustments	-	(352)	(2)	(6)	(4)	(157)	(521)
<b>As at March 31, 2020</b>	<b>7</b>	<b>17,267</b>	<b>16</b>	<b>151</b>	<b>14</b>	<b>766</b>	<b>18,221</b>
Depreciation charge for the year	-	4,435	1	29	2	750	5,215
Disposals/Adjustments	-	(975)	-	(1)	-	(451)	(1,427)
<b>As at March 31, 2021</b>	<b>7</b>	<b>20,725</b>	<b>17</b>	<b>179</b>	<b>16</b>	<b>1,065</b>	<b>22,009</b>
<b>Net Book Value</b>							
As at March 31, 2021	-	22,473	5	35	2	1,414	23,930
As at March 31, 2020	-	24,568	4	64	4	1,624	26,264



# You Broadband India Limited

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## Notes to Financial Statements

### Note 7

#### Intangible assets

Particulars	License fees	Computer - Software	Bandwidth	Total
<b>Cost</b>				
<b>As at March 31, 2019</b>	30	11	74	115
Reclassification on adoption of IndAS 116	-	-	(74)	(74)
<b>Restated Balance As at April 1, 2019</b>	30	11	-	41
Additions	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2020</b>	30	11	-	41
Additions	-	3	-	3
Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2021</b>	30	14	-	44
<b>Accumulated Amortisation</b>				
<b>As at March 31, 2019</b>	2	10	74	86
Reclassification on adoption of IndAS 116	-	-	(74)	(74)
<b>Restated Balance As at April 1, 2019</b>	2	10	-	12
Amortisation charge for the year	1	1	-	2
Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2020</b>	3	11	-	14
Amortisation charge for the year	2	-*	-	2
Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2021</b>	5	11	-	16
<b>Net Book Value</b>				
<b>As at March 31, 2021</b>	<b>25</b>	<b>3</b>	<b>-</b>	<b>28</b>
<b>As at March 31, 2020</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported. The remaining amortisation period of license fees as at March 31, 2021 is 17 years (March 31, 2020: 18 years) based on the telecom service license validity period.

### Note 8

#### Other non-current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with body corporate and others		
- Considered good	127	168
- Considered doubtful	26	9
Deposits and balances with government authorities	127	129
Margin money deposits	60	60
	<b>340</b>	<b>366</b>
Allowance for doubtful advances (refer note 37)	(26)	(9)
<b>Total</b>	<b>314</b>	<b>357</b>



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## Notes to Financial Statements

### Note 9

#### Other non-current assets

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Capital advances		
- Considered good	-	12
- Considered doubtful	22	10
Prepaid expenses	1	7
Advance income tax (net)	86	646
GST recoverable		
- Considered good	-	-
- Considered doubtful	-	2
Others (consisting mainly deposit against demands which are appealed against / subjudice)		
- Considered good	16	17
- Considered doubtful	13	13
	<b>138</b>	<b>707</b>
Allowance for doubtful advances (refer note 37)	(35)	(25)
<b>Total</b>	<b>103</b>	<b>682</b>

### Note 10

#### Trade receivables (Unsecured, unless otherwise stated) (including amount referred to in note 45)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Billed receivables</b>		
Unsecured - Considered good	154	380
Unsecured - Considered doubtful	243	277
	<b>397</b>	<b>657</b>
Allowance for doubtful debts (refer note 37)	(243)	(277)
	<b>154</b>	<b>380</b>
Unbilled receivables	1	-
<b>Total</b>	<b>155</b>	<b>380</b>

### Note 11

#### Cash and cash equivalents

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Cash on hand	9	2
Cheques on hand	40	38
Balances with banks		
- In current accounts	753	575
- In deposit accounts (having maturity less than 3 months)	895	2
<b>Total</b>	<b>1,697</b>	<b>617</b>



# You Broadband India Limited

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## Notes to Financial Statements

### Note 12

#### Bank balance other than cash and cash equivalents

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Margin money	212	212
Bank deposits with maturity from 3-12 months	45	41
<b>Total</b>	<b>257</b>	<b>253</b>

### Note 13

#### Other current financial assets

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Interest receivable	8	2
<b>Total</b>	<b>8</b>	<b>2</b>

### Note 14

#### Other current assets

Particulars	As at	As at
	March 31, 2021	March 31, 2020
GST recoverable	546	697
Prepaid expenses	211	274
Others (including amount referred to in note 45)		
- Considered good	19	64
- Considered doubtful	19	80
	<b>795</b>	<b>1,115</b>
Allowance for doubtful advances (refer note 37)	(19)	(80)
<b>Total</b>	<b>776</b>	<b>1,035</b>



# You Broadband India Limited

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## Notes to Financial Statements

### Note 15

#### Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
<b>EQUITY SHARE CAPITAL</b>				
Authorised share capital				
Equity Shares of ₹ 10 each	751,010,000	75,101	750,000,000	75,000
	<b>751,010,000</b>	<b>75,101</b>	<b>750,000,000</b>	<b>75,000</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	75,004,960	7,500	75,004,960	7,500
	<b>75,004,960</b>	<b>7,500</b>	<b>75,004,960</b>	<b>7,500</b>

#### (a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	75,004,960	7,500	47,345,392	4,735
Right issue of shares during the year <sup>1</sup>	-	-	27,659,568	2,765
Equity shares outstanding at the end of the year	75,004,960	7,500	75,004,960	7,500

<sup>1</sup> During the previous year, the Company offered 27,659,568 equity shares of ₹ 10 each under Rights issue at ₹ 23.5 aggregating to ₹ 649,999,848. The issue was fully subscribed and 27,659,568 share were issued to Vodafone Idea Limited on May 31, 2019.

#### (b) Terms/ rights attached to issued, subscribed and paid up equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholders	As at March 31, 2021		As at March 31, 2020	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Vodafone Idea Limited, the holding company and its nominees	75,004,960	100%	75,004,960	100%





# You Broadband India Limited

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## Notes to Financial Statements

### Note 16

#### Other Equity

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(i) Capital reserve<sup>1</sup></b>		
Opening balance	268	268
Addition during the year	-	-
<b>Closing balance (A)</b>	<b>268</b>	<b>268</b>
<b>(ii) Retained earnings</b>		
Opening balance	(11,198)	(7,596)
Profit/(Loss) after tax for the year	(75)	(3,578)
Other comprehensive income/(loss) for the year	(14)	(24)
<b>Closing balance (B)</b>	<b>(11,287)</b>	<b>(11,198)</b>
<b>(iii) Securities Premium</b>		
Opening balance	3,727	-
Premium on Right issue of shares during the year	-	3,734
Share issue expenses	-	(7)
<b>Closing balance (C)</b>	<b>3,727</b>	<b>3,727</b>
<b>Total(A+B+C)</b>	<b>(7,292)</b>	<b>(7,203)</b>

<sup>1</sup> Capital reserve represents reserve created for issue of share based option to employees.

### Note 17

#### Other non-current financial liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease liabilities (refer note 35)	756	942
<b>Total</b>	<b>756</b>	<b>942</b>

### Note 18

#### Long term provisions

Particulars	As at	
	March 31, 2021	March 31, 2020
Gratuity (refer note 40)	-	6
<b>Total</b>	<b>-</b>	<b>6</b>

### Note 19

#### Other non-current liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Advance from customers and deferred revenue	112	85
<b>Total</b>	<b>112</b>	<b>85</b>



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 20

#### Short term borrowings

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Unsecured Loans</b>		
Loan from related parties (refer note 45) <sup>1</sup>	9,325	11,028
<b>Total</b>	<b>9,325</b>	<b>11,028</b>

<sup>1</sup> The loan is repayable on demand with 7% interest rate (March 31, 2020: Nil w.e.f January 1, 2020, prior to which interest at the rate of 7.5% was charged)

### Note 21

#### Information as per the requirement of section 22 of the Micro, Small and Medium Enterprises

Particulars	As at	As at
	March 31, 2021	March 31, 2020
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	7	2
(ii) The interest due on above	.*	-
The total of (i) & (ii)	7	2
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	35	6
d) The amounts of interest accrued and remaining unpaid at the end of financial year	4	3
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	1	-

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported

### Note 22

#### Other current financial liabilities

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Payable for capital expenditure	1,232	1,771
Interest accrued but not due on borrowings (refer note 45)	10	-
Security deposits from customers and others	2,193	2,287
Lease liabilities (refer note 35)	771	672
<b>Total</b>	<b>4,206</b>	<b>4,730</b>

### Note 23

#### Other current liabilities

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Advance from customers and deferred revenue	4,559	4,776
Taxes, regulatory and statutory liabilities (includes provision with respect to subjudice matter related to licensing dispute)	5,298	4,666
<b>Total</b>	<b>9,857</b>	<b>9,442</b>



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 24

#### Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (refer note 40)	24	-
<b>Total</b>	<b>24</b>	<b>-</b>

### Note 25

#### Other operating income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Liabilities no longer required written back	226	562
Miscellaneous receipts (including amount referred in note 45)	12	5
<b>Total</b>	<b>238</b>	<b>567</b>

### Note 26

#### Employee benefit expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	1,829	2,002
Contribution to provident and other funds (refer note 40)	115	133
Share based payment expenses (ESOS) (refer note 39)	4	-*
Staff welfare	42	113
Recruitment and training	-	5
<b>Total</b>	<b>1,990</b>	<b>2,253</b>

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported

### Note 27

#### Network expenses and IT outsourcing cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Security service charges	1,954	2,250
Power and fuel	290	279
Repairs and maintenance - plant and machinery	636	197
Lease line and connectivity charges (including amount referred in note 45)	3,506	3,413
Network insurance	64	35
Other network operating expenses	514	99
IT outsourcing cost	28	46
<b>Total</b>	<b>6,992</b>	<b>6,319</b>



# You Broadband India Limited

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## Notes to Financial Statements

### Note 28

#### Subscriber acquisition and servicing expenditure

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Collection, telecalling and servicing expenses	272	281
Sales support cost, commission and others	1,388	1,663
Customer retention and customer loyalty expenses	411	493
<b>Total</b>	<b>2,071</b>	<b>2,437</b>

### Note 29

#### Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Repairs and maintenance		
Building	42	57
Others	64	77
Other insurance	52	61
Rates and taxes	20	33
Electricity	76	86
Printing and stationery	7	17
Communication expenses	46	68
Travelling and conveyance	74	152
Allowances for doubtful debts and advances (refer note 37)	(68)	(370)
Bad debts / advances written off	101	313
Loss/(Gain) on disposal of property, plant and equipment (net)	96	178
Bank charges	9	7
Directors Sitting Fees (refer note 45)	4	5
Legal and professional charges	51	94
Audit fees (refer note 41)	14	15
Outsourcing cost	208	307
Support service charges (refer note 45)	129	141
Miscellaneous expenses	89	130
<b>Total</b>	<b>1,014</b>	<b>1,371</b>

### Note 30

#### Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on borrowings (refer note 45)	11	696
Interest expense on lease liabilities	141	167
Interest on AGR liability	579	-
Interest on others	130	79
<b>Total interest expense</b>	<b>861</b>	<b>942</b>
Exchange difference (net)	(5)	121
Loss / (gain) on derivatives (including fair value changes on derivatives)	-	(63)
<b>Total</b>	<b>856</b>	<b>1,000</b>



# You Broadband India Limited

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(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 31

#### Exceptional items

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(Recovery)/Write off of capital work-in-progress	-	(32)
License fees on AGR	-	2,567
Redundancy cost paid to employees	15	-
Write off of Property, Plant & Equipment	289	-
<b>Total</b>	<b>304</b>	<b>2,535</b>

### Note 32

On September 15, 2020, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of YOU System Integration Private Limited (YSIPL), a wholly owned subsidiary of the Company, with the Company with an appointed date of April 1, 2020. During the year, the requisite approvals were received and the merger became effective on March 15, 2021 on filing the certified copies of the orders sanctioning the scheme with the Registrar of Companies (RoC). This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of YSIPL.

Further, in accordance with Ind AS 103 'Business Combinations', the Company has restated the financial statements for the previous year presented in these financial statements even though the title, obligations and compliances related to these balances till the effective date remain with YSIPL.

Accordingly, the investment of the Company in YSIPL ₹ 101 Lakhs stands reversed as of April 1, 2020.

The position of assets, liabilities and equity of YSIPL as at the beginning and end of the financial year is as below.



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## Notes to Financial Statements

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets under development	1	-
Financial assets		
Other non-current financial assets	1	1
Other non-current assets	3	9
<b>Total non-current assets (A)</b>	<b>5</b>	<b>10</b>
<b>Current assets</b>		
Financial assets		
Cash and cash equivalents	5	*
Bank balance other than cash and cash equivalents	21	-
Other current financial assets	*	-
Other current assets	2	1
<b>Total current assets (B)</b>	<b>28</b>	<b>1</b>
<b>Total Assets (A+B)</b>	<b>33</b>	<b>11</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	101	1
Other equity	(81)	(76)
<b>Total equity (C)</b>	<b>20</b>	<b>(75)</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial liabilities		
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	9	19
Other current financial liabilities	3	3
Other current liabilities	1	64
<b>Total current liabilities (D)</b>	<b>13</b>	<b>86</b>
<b>Total Equity and Liabilities (C+D)</b>	<b>33</b>	<b>11</b>

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported



# You Broadband India Limited

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(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

Further, the following profit and loss effects up to March 14, 2021 pertaining to YSIPL have been included in the statement of profit and loss of the Company.

Particulars	For the period ended March 14, 2021	For the year ended March 31, 2020
<b>Income</b>		
Other operating income	4	*
<b>Revenue from operations</b>	<b>4</b>	<b>-*</b>
Other income	1	2
<b>Total income</b>	<b>5</b>	<b>2</b>
<b>Operating Expenditure</b>		
Other expenses	*	7
<b>Total</b>	<b>-</b>	<b>7</b>
<b>Profit/(Loss) before finance costs, depreciation and tax</b>	<b>5</b>	<b>(5)</b>
Finance costs	*	*
<b>Profit/(Loss) before tax</b>	<b>5</b>	<b>(5)</b>
Tax expense	-	-
<b>Profit/(Loss) after tax</b>	<b>5</b>	<b>(5)</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>5</b>	<b>(5)</b>

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported

Further, as the transactions and year end balances between the Company and YSIPL have been eliminated in the financial statements, effects of the same have also been reflected in the related party disclosures (refer note 45).

### Note 33

#### Capital and other Commitments

Estimated amount of commitments are as follows:

Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 81 (March 31, 2020: ₹ 387)

### Note 34

#### Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Sales Tax/Value Added Tax	-*	2
Income Tax	-	9

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported.

#### Sales Tax / Value Added Tax

During the previous years the Company had received demands for incorrect CST rate levied on interstate sales/Scrap Sale. The Company has paid ₹ 0.2 in April 2021 for clearing CST Gujarat liability and for remaining ₹ 0.3 of CST Karnataka liability company has challenged this demand and yet to receive the final order from the department.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognized for the above.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Income Tax

During the previous year company has received Income Tax assessment order for FY 17-18 and Tax liability is calculated of ₹ 9 for depositing specified bank notes during demonetization period. The company has challenged this demand and preferred appeal before the commissioner (appeal). Further company has opted for this matter under Vivad Se Vishwas amnesty scheme and eventually got final order demanding to pay ₹ 9 which department has adjusted against TDS refund and matter has been settled. The company has expensed off ₹ 9 during the year and hence no contingent liability for the year.

### Note 35

#### Leases

#### Company as a lessee

The Company has adopted the Ind AS 116 from April 1, 2019 which supersedes the Ind AS 17. The effects of adopting Ind AS 116 on Company's financials are as follows:

#### Impact on balance sheet (Increase / (Decrease))

Particulars	As at April 1, 2019
<b>Assets</b>	
Right-of-use assets (refer note 6)	1,927
Other current assets	(105)
<b>Total assets</b>	<b>1,822</b>
<b>Liabilities</b>	
Lease Liabilities	(1,822)
<b>Total liabilities</b>	<b>(1,822)</b>

Set out below are the carrying amounts of RoU assets recognised and the movements during the year:

Particulars	Land and Building	Bandwidth	Total
As at April 1, 2019	1,927	-	1,927
Reclass of Bandwidth to RoU assets	-	74	(74)
<b>Restated balance as at April 1, 2019</b>	<b>1,927</b>	<b>74</b>	<b>1,853</b>
Additions <sup>1</sup>	577	-	577
Deletions/Adjustments	(31)	(74)	43
Depreciation expenses	(849)	-	(849)
<b>As at March 31, 2020</b>	<b>1,624</b>	<b>-</b>	<b>1,624</b>
Additions <sup>1</sup>	664	-	664
Deletions/Adjustments	(124)	-	(124)
Depreciation expenses	(750)	-	(750)
<b>As at March 31, 2021</b>	<b>1,414</b>	<b>-</b>	<b>1,414</b>

<sup>1</sup>Additions include addition of new leases, modification of existing lease in form of lease extension or restriction





# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>	<b>1,614</b>	<b>1,822</b>
Additions	664	577
Accretion of interest	141	167
Payments	(768)	(924)
Disposals	(124)	(28)
<b>Closing balance</b>	<b>1,527</b>	<b>1,614</b>
Current	771	672
Non-current	756	942

### Note 36

#### Details of foreign currency exposures

##### a) Not hedged by a derivative instrument or otherwise

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade payables and Other financial liability</b>		
In USD	9	9
In GBP	.*	-
Equivalent INR of Trade payables and Other current financial liability in foreign currency <sup>1</sup>	665	699

<sup>1</sup> Amount in INR represents conversion at closing rate

\*Numbers are below one lakh under the rounding off convention adopted by the Company and accordingly not reported.

### Note 37

#### Movement of Allowances for Doubtful debts/advances

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	391	761
Charged to Statement of Profit and Loss (Net) (refer Note 29)	(68)	(370)
<b>Closing Balance</b>	<b>323</b>	<b>391</b>

### Note 38

#### Segment Information

As the Company operates in only one business segment, hence there is no separate reportable segment as per Ind AS – 108 on "Operating segment".

### Note 39

#### Share based payments

##### Employee stock option plan – options granted by Vodafone Group Plc

##### Global Long Term Retention ("GLTR"):

GLTR plan is a restricted share plan granted as a retention tool to selected employees in the middle management. The options vest in 2 years /3 years after the grant date provided the employees remain in the continued employment of the Company during the vesting period.



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(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

As at year ended March 31, 2021, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021 As at March 31, 2020	
	No. of Options	No. of Options
<b>Options granted under GLTR</b>		
Options outstanding at the beginning of the year	16,712	34,853
Options granted during the year	-	-
Options forfeited during the year	-	-
Options cancelled during the year	-	18,141
Options exercised during the year	16,712	-
Options outstanding at the end of the year	-	16,712
Options exercisable at the end of the year	-	16,712
Weighted average remaining contractual life of the options	-	3

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Since the outstanding options as at March 31, 2021 are Nil the liability at the end of year ended March 31, 2021 is Nil (March 31, 2020 is ₹18 )

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

### Note 40

#### Employee benefits

##### A. Defined Benefit Plan (Gratuity)

###### General description and benefits of the plan

The Company operate a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Company.

###### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-a-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance Companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

###### Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.



# You Broadband India Limited

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## Notes to Financial Statements

The following tables summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	246	210
Fair value of plan assets as at the end of the year	222	204
Net Funded Obligation	24	6
Net Asset/(Liability) recognised in Balance Sheet	(24)	(6)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Other non-financial asset	-	-
- Long term provision	-	(6)
- Short term provision	(24)	-

Sr. No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>1</b>	<b>Reconciliation of net defined benefit obligation</b>		
	Opening net defined benefit liability/(asset)	6	(18)
	Expense charged to statement of profit & loss	23	23
	Income credited to OCI	19	31
	Employer contributions	(24)	(30)
	Closing Net Defined Benefit liability/(asset)	<b>24</b>	<b>6</b>
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	210	190
	Current Service cost	24	25
	Interest on Defined Benefit Obligation	13	14
	Actuarial (Gain)/Loss arising from change in financial assumptions	1	15
	Actuarial (Gain)/Loss arising from change in demographic assumptions	9	-
	Actuarial (Gain)/Loss arising on account of experience changes	7	15
	Benefits paid	(18)	(49)
	Closing Defined Benefit Obligation	<b>246</b>	<b>210</b>
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	204	208
	Employer contributions	24	30
	Interest on plan assets	14	16
	Re measurements due to		
	- Actual return on plan assets less interest on plan assets	(2)	(1)
	Benefits paid	(18)	(49)
	Closing fair value of plan assets	<b>222</b>	<b>204</b>



# You Broadband India Limited

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## Notes to Financial Statements

Amounts recognised in the statements of profit and loss in respect of these defined benefit plans are as follows:

Sr. No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	24	25
	Interest on Net Defined Benefit liability/(asset)	(1)	(2)
	Expenses recognised in the Statement of Profit & Loss	<b>23</b>	<b>23</b>
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the period due to		
	- Changes in financial assumptions	1	15
	- Changes in demographic assumptions	9	-
	- Experience adjustments	7	15
	- Return on plan assets (excluding amounts included in net interest expense)	2	1
	Amount recognised in OCI (gains) / loss	<b>19</b>	<b>31</b>

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.55%	6.65%
Future salary increases <sup>1</sup>	5.00%	5.00%
Attrition rate	25 years & below - 25% 26 - 35 years - 20% 36 - 45 years - 15% 46 - 55 years - 10% 56 years & above - 5%	30 years & below - 20% 31-40 years - 15% 41-50 years - 5% 51 years & above - 5%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2006-08) Ult
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

<sup>1</sup>The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	-2.95%	2.56%	-4.20%	3.65%
Impact of decrease in 50 bps on DBO	3.14%	-2.44%	4.56%	-3.56%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within the next 12 months	23	-

Disaggregation details of plan assets (% allocation):

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurer Managed Funds <sup>1</sup>	100%	100%

<sup>1</sup>The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.



# You Broadband India Limited

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## Notes to Financial Statements

### Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected benefits for year 1	41	23
Expected benefits for year 2	32	20
Expected benefits for year 3	28	18
Expected benefits for year 4	25	16
Expected benefits for year 5 and above	273	359

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.75 years (March 31, 2020: 10.97 years).

### B. Defined contribution plans:

During the year, the Company has recognised the following amounts in the statement of profit and loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' contribution to provident and other fund	92	106

### Note 41

#### Auditor's Remuneration

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Audit Fees	14	15
Certification and Other services (included in Legal and Professional charges)	-	12
Out of pocket expenses (included in miscellaneous expenses)	-	2
<b>Total Remuneration</b>	<b>14</b>	<b>29</b>



# You Broadband India Limited

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## Notes to Financial Statements

### Note 42

#### Income Tax Expenses

##### (a) Major components of tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax</b>		
Current Tax on profits for the period	-	-
Adjustments for tax of prior periods	23	-
<b>Total Current Tax Expense (A)</b>	<b>23</b>	<b>-</b>
<b>Deferred Tax</b>		
Relating to addition & reversal of temporary differences	5	7
<b>Total Deferred Tax Expense (B)</b>	<b>5</b>	<b>7</b>
<b>Total Tax Expense (A+B)</b>	<b>28</b>	<b>7</b>
<b>Income tax effect of re-measurement (gains)/losses on defined benefit plans taken to other comprehensive income / (loss)</b>	<b>(5)</b>	<b>(7)</b>

##### (b) Reconciliation of average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss before income tax expense	(47)	(3,571)
<b>Applicable Tax Rate</b>	<b>25.17%</b>	<b>25.17%</b>
Increase / reduction in taxes on account of:		
Effect of items for which no deferred tax is recognised	-41.20%	-24.92%
Effects of expenses / income that are not deductible / considered in determining the taxable profits	5.81%	-0.45%
Other Items	-47.24%	0.00%
<b>Effective Tax Rate</b>	<b>-57.46%</b>	<b>-0.19%</b>

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty the Company has not recognized deferred tax assets in respect of carried forward tax losses / capital losses / temporary differences of ₹ 30,098 as of March 31, 2021 (March 31, 2020: ₹ 29,801).

### Note 43

#### Movement in Deferred Tax

Particulars	As at April 1, 2019	Recognised in			As at March 31, 2020	Recognised in			As at March 31, 2021
		Profit and Loss	OCI	Other equity		Profit and Loss	OCI	Other equity	
<b>Assets</b>									
Expense allowable on payment basis	-	(7)	7	-	-	(5)	5	-	-
<b>Total</b>	<b>-</b>	<b>(7)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax liabilities/ (assets)</b>	<b>-</b>	<b>7</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(5)</b>	<b>-</b>	<b>-</b>
<b>As per Financials:</b>									
Deferred Tax Asset	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-



# You Broadband India Limited

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(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 44

#### Basic & Diluted Earnings/(Loss) per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Nominal value of equity shares (₹)	10/-	10/-
Profit/(Loss) after Tax	(75)	(3,578)
Profit/(Loss) attributable to equity shareholders	(75)	(3,578)
Weighted average number of equity shares outstanding during the year	75,004,960	70,470,610
Basic and Diluted (Loss) Per Share (₹)	(0.10)	(5.08)

### Note 45

#### Related party transactions

The related parties where control, joint control and significant influence exists are subsidiaries, joint venture and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

Relationship	Related Party
Holding Company	Vodafone Idea Limited
Subsidiary	You System Integration Private Limited (merged with You Broadband India Limited with effect from March 15, 2021 (refer note 32)
Fellow Subsidiaries	Vodafone Idea Shared Service limited (formerly know as Vodafone India Ventures Limited) Vodafone Idea Communication Systems Limited
Key Management Personnel (KMP)	EVS Chakravarthy Lakshmisree Chakraborty Balesh Sharma (ceased from August 19, 2019) Dinesh Patwari (ceased from November 30, 2019) Shobha Prasad Tridib Ghosh Dastider



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### A. Transactions with related parties for the year ended March 31, 2021 and March 31, 2020

Particulars	Holding Company	Fellow Subsidiary	KMP
Sale of Service	421	-	-
	(412)	-	-
Purchase of service	1,657	129	-
	(1,667)	(141)	-
Interest expense on borrowings	-	11	-
	(696)	-	-
Expense incurred on company's behalf by	72	-	-
	(30)	-	-
Issue of Share Capital	-	-	-
	(6,499)	-	-
Loan taken	-	9,400	-
	(550)	-	-
Loan repaid	11,028	75	-
	(6,259)	-	-
Sale of Intangible Asset	27	-	-
	-	-	-
Director's sitting fees paid	-	-	4
	-	-	(5)
Remuneration	-	-	180
	-	-	(176)

(Figures in bracket are for the year ended March 31, 2020)

### B. Balances with Related Parties

Particulars	Holding Company	Fellow Subsidiary	KMP
Trade and Other receivables	-	-	-
	(9)	-	-
Trade and Other payables	467	53	-
	(2,030)	(96)	-
Interest payable	-	10	-
	-	-	-
Prepaid expenses	160	-	-
	(203)	-	-
Outstanding loan payable	-	9,325	-
	(11,028)	-	-
Remuneration payable	-	-	24
	-	-	-

(Figures in bracket are as on March 31, 2020)

### C. Compensation of Key Management Personnel of the Company

Particulars	March 31, 2021	March 31, 2020
Short-term employee benefits	169	163
Post-employment benefits <sup>1</sup>	11	13

<sup>1</sup>represents contribution to provident funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included





# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 46

#### Financial Instruments

**a) Financial Instruments by Category:** The following table provides categorisation of all financial instruments at carrying value except non-current investments in subsidiary which are carried at cost.

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised Cost	
<b>Financial assets</b>		
Trade receivables	155	380
Cash and cash equivalents	1,697	617
Margin money deposits	272	272
Bank deposits with maturity from 3-12 months	45	41
Deposit with Body corporates, Government authorities and others	254	297
Interest receivable	8	2
<b>Total Financial assets</b>	<b>2,431</b>	<b>1,609</b>

Particulars	As at March 31, 2021	As at March 31, 2020
	Amortised Cost	
<b>Financial liabilities</b>		
Borrowings including Interest accrued but not due	9,335	11,028
Trade payables	3,476	3,997
Payables for capital expenditure	1,232	1,771
Security deposits from customers and others	2,193	2,287
Lease liabilities	1,527	1,614
<b>Total Financial liabilities</b>	<b>17,763</b>	<b>20,697</b>

#### (b) Fair value hierarchy

i. The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

##### a) Financial Assets

- Trade receivables
- Cash and cash equivalents
- Bank balance other than cash & cash equivalents
- Margin money deposits
- Deposit with Body corporates, Government authorities and others
- Interest receivable
- Others

##### b) Financial Liabilities

- Short term borrowings including Interest accrued but not due
- Trade payables
- Payable for capital expenditure
- Security deposits from customers and others
- Lease liabilities
- Others



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Valuation Technique used to determine fair value:

The Company enters into derivative financial instruments such as forward contracts with various counterparties. The fair value of such derivatives instruments are determined using forward exchange rates.

### Note 47

#### Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets comprise cash and bank balance, trade and other receivables. The Company also enters into derivative transactions such as foreign forward exchange contracts as a part of Company's financial risk management policies.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Directors of the Company oversees management of these risks and assure that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings.

##### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no exposure to the risk of changes in market interest as the Company has borrowed from its fellow subsidiary Vodafone Idea Communication Systems Limited at 7% rate interest which is not exposed to the risk of changes in market interest.

##### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company has major foreign currency risk in USD.

At March 31, 2021, Nil (March 31, 2020: Nil) of its foreign currency trade payables are hedged. This foreign currency risk is hedged by using foreign currency forward contracts.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit / (loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

#### Foreign currency risk

Currency exposure	Change in currency exchange rate	Effect on profit before tax
<b>March 31, 2021</b>		
USD	+3%	(20)
	-3%	20
<b>March 31, 2020</b>		
USD	+3%	(21)
	-3%	21

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, and other financial instrument.

#### - Trade receivable

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 0 to 30 days' credit terms. Outstanding customer receivables are regularly monitored.

#### - Other financial assets and cash deposits

The Company maintains its Cash and cash equivalents with banks and financial institutions having good reputation, good past record and high quality credit rating and reviews their credit worthiness on an on-going basis in close co-ordination with its holding company's Treasury team.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2021 and March 31, 2020 on its carrying amounts as disclosed in notes 8, 9, 11, and 14.

### d) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company maintains adequate liquidity through effective fund/working capital management for settling its liabilities as and when they arise.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
<b>As at March 31, 2021</b>					
Borrowings and Interest thereon <sup>1</sup>	9,335	9,335	-	-	9,335
Trade and other payables <sup>2</sup>	4,708	4,685	23	-	4,708
Other financial liabilities	2,193	2,193	-	-	2,193
Lease liabilities	1,527	770	874	33	1,677
<b>Total</b>	<b>17,763</b>	<b>16,983</b>	<b>897</b>	<b>33</b>	<b>17,913</b>
<b>As at March 31, 2020</b>					
Borrowings and Interest thereon <sup>1</sup>	11,028	11,028	-	-	11,028
Trade and other payables <sup>2</sup>	5,768	5,741	27	-	5,768
Other financial liabilities	2,287	2,287	-	-	2,287
Lease liabilities	1,614	735	1,063	47	1,845
<b>Total</b>	<b>20,697</b>	<b>19,791</b>	<b>1,090</b>	<b>47</b>	<b>20,928</b>

<sup>1</sup> Interest accrued but not due of ₹ 10 lakhs (March 31, 2020: ₹ Nil lakhs) has been excluded from other financial liabilities and included in borrowings and interest thereon.

<sup>2</sup> Payable for capex expenditure of ₹ 1,232 lakhs (March 31, 2020: ₹ 1,771 lakhs) has been excluded from other financial liabilities and included in trade and other payables.

### Note 48

#### Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The company has Financial liabilities of trade and other payables which are payable within one year. The Company maintains sufficient cash and other liquid financial assets to meet the payment of financial liabilities within the due dates.



# You Broadband India Limited

Financial Statements for the year ended March 31, 2021

(All amounts are in INR lakhs, except per share data and unless stated otherwise)

## Notes to Financial Statements

### Note 49

The Company's current liabilities exceeded its current assets by Rs 23,972 lacs. The Company has assessed its liquidity position and possible sources of funds. Basis the assessment, the Company may need financial support from the holding company to settle some of its existing liabilities. Hence, its ability to continue as a going concern is dependent on the holding company's ability to continue as a going concern. The holding Company's ability to continue as going concern is dependent on its ability to raise additional funds as required.

### Note 50

#### Significant transactions / new developments

The Hon'ble Supreme Court on October 24, 2019 passed its judgement against the telecom operators on cross appeals against the Hon'ble TDSAT judgement dated April 23, 2015 relating to the definition of Adjusted Gross Revenue ('SC AGR Judgement'). The order upheld the levy of interest, penalty and interest on penalty along with a supplementary order directing payment of dues to be made within 3 months from the date of the order. A Review Petition filed by the Holding Company and some of the telecom operators against the above SC AGR Judgement was dismissed on January 16, 2020.

Further to the above judgement, there has been separate orders, relating to ISP's as petitioners holding Unified License (UL), by the Hon'ble TDSAT on October 18, 2019 where Internet Service Providers Association of India (ISPAI) was a party to the order and further re-confirmed on June 12, 2020, that revenue earned from Pure Internet Service should be excluded from the calculation of AGR for the purpose of calculating license fees. Further to this, as stated in the TDSAT order dated June 12, 2020, the learned counsel of Department of Telecom (DoT) agreed of having no objection to disposing off the issue of AGR raised in the relevant petitions on the basis of judgment dated October 18, 2019 in view of parity claimed by the petitioners holding UL and others holding ISP License. The DOT has since appealed against the TDSAT order to the Hon'ble Supreme Court which is under review.

On prudent basis the Company has made provision of ₹ 702 (March 31, 2020: ₹ 3,927) towards demands raised by DoT and for the years demands not received on estimation basis. This is resulting in cumulative provision of ₹ 5,169 as on March 31, 2021 in this regard. While the provision in the books has been made out of abundant caution, the company shall however continue with the required legal steps in this regard on these demands.

### Note 51

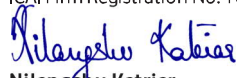
Previous year figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

  
**Nilangshu Katriar**

Partner

Membership No.: 58814

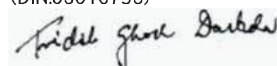


**For and on behalf of the Board of Directors of  
You Broadband India Limited**

  
**Suraj Kalra**

Director

(DIN:08016758)



**Tridib Ghosh Dastider**

Chief Financial Officer

Place: Mumbai

Date: June 25, 2021



**EVS Chakravarthy**

Managing Director & CEO

(DIN:00603085)



**Lakshmisree Chakraborty**

Company Secretary

(ACS:16400)



Place: Mumbai

Date: June 25, 2021