

YOU BROADBAND INDIA LIMITED
Financial Statements
For the year ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of You Broadband India Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of You Broadband India Limited ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the 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 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, 2023, 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 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 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 financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 43 of the financial statements, which indicates that Company's current liabilities exceed its current assets by Rs. 27,350 Lakhs which indicate the existence of material uncertainty on the Company's ability to continue as a going concern. Accordingly, Company's ability to continue as a going concern is dependent upon the holding company's ability to fund the Company.

Our opinion is not qualified in respect of this matter.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Directors' Report, but does not include the financial statements and our auditor's report thereon. The Board of Directors' Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available 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.

Responsibilities of Management for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 financial statements, including the disclosures, and whether the 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 Statement of Cash Flows 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 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;
 - (f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls with reference to 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, 2023 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;



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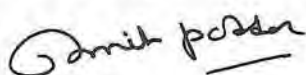
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- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 and Note 44 to the 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.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Poddar

Partner

Membership Number: 509192

UDIN: 23509192BHADJD2448



Place: Mumbai

Date: May 22, 2023

Annexure '1' referred to in paragraph under the heading 'Report on other legal and regulatory requirements' of our report of even date

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a) (A) The Company has maintained proper records showing full particulars, including situation and quantitative information of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets as reflected in the books.
- (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 property, plant and equipment and 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, property, plant and equipment were physically verified by the management during the year. 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 property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)(a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) (a) of the Order are not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)(a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.



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- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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 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 records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. The provisions relating to sales-tax, service tax, duty of excise, duty of customs and value added tax are not applicable to the Company.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, as at the March 31, 2023, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of goods and service tax, service tax and duty of custom not deposited on account of any dispute, are as follows:

Name of 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	648	2008-12	Customs Excise and Service tax Appellate Tribunal
Central Goods and Services Tax Act, 2017	Goods and Service Tax	7	2017-18	Assistant Commissioner, State Taxes -Gujarat
Central Goods and Services Tax Act, 2017	Goods and Service Tax	1	2017-18	Joint Commissioner (Appeals) -Telangana

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

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) Loans amounting to Rs. 8,901 Lakhs are repayable on demand and interest thereon shall be repaid along with the principal amount at the time of repayment. Such loans and interest thereon have not been demanded for repayment during the relevant financial year. The Company has not defaulted in repayment of loan or other borrowings or payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.



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- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, we report that funds amounting to Rs. 26,261 Lakhs raised on short term basis (primarily represented by trade payables, AGR liabilities and short-term borrowings) have been used for long-term purposes (primarily represented by acquisition of property, plant and equipment and to fund the losses of the Company).
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (f) of the Order is not applicable to the Company
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) Based on our 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, 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) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.



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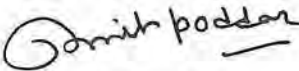
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- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has five Core Investment companies as part of the Group.
- (xvii) The Company has incurred cash losses in the current year amounting to Rs. 1,223 Lakhs. In the immediately preceding financial year, the Company had not incurred cash losses.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) As referred to in 'Material uncertainty related to Going concern' paragraph in our main audit report and as disclosed in Note 43 and 45 to the financial statements which includes the financial ratios and ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that the Company may not be capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.
- We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirement of section 135 of The Companies Act, 2013 is not applicable to the Company, and accordingly, the requirement to report on Clause 3(xx) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Poddar

Partner

Membership Number: 509192

UDIN: 23509192BHADJD2448



Place: Mumbai

Date: May 22, 2023

Annexure '2' to the Independent Auditor's Report of even date on the financial statements of You Broadband India Limited (the 'Company')**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 financial statements of You Broadband India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on [the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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 ICAI. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 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



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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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Amit Poddar**

Partner

Membership Number: 509192

UDIN: 23509192BHADJD2448



Place: Mumbai

Date: May 22, 2023

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Balance Sheet as at March 31, 2023

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment (including RoU Assets)	6	19,524	21,447
Capital work-in-progress	6	789	503
Intangible assets	7	23	25
Financial assets			
Other non-current financial assets	8	302	309
Other non-current assets	9	110	202
Total non-current assets (A)		20,748	22,486
Current assets			
Financial assets			
Trade receivables	10	85	71
Cash and cash equivalents	11	263	986
Bank balance other than cash and cash equivalents	12	762	235
Other current financial assets	13	14	7
Other current assets	14	989	817
Total current assets (B)		2,113	2,116
Total Assets (A+B)		22,861	24,602
Equity and Liabilities			
Equity			
Equity share capital	15	7,500	7,500
Other equity	16	(14,739)	(10,215)
Total equity (C)		(7,239)	(2,715)
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	31	562	574
Trade payables	17	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		37	-
Other non-current liabilities	18	38	60
Total non-current liabilities (D)		637	634
Current liabilities			
Financial liabilities			
Short term borrowings	19	8,901	8,906
Lease liabilities	31	1,089	880
Trade payables	17	-	-
Total outstanding dues of micro enterprises and small enterprises		160	30
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,612	3,354
Other current financial liabilities	20	2,895	2,662
Other current liabilities	21	12,806	10,847
Short term provisions	22	-	4
Total current liabilities (E)		29,463	26,683
Total Equity and Liabilities (C+D+E)		22,861	24,602

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

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

Amit Poddar

Partner

Membership No.: 509192

Jagbir Singh

Director

(DIN:03258009)

EVS Chakravarthy

Managing Director & CEO

(DIN:00603085)

Tridib Ghosh Dastider

Chief Financial Officer

Vineet Choraria

Company Secretary

(ACS:25887)

Place: Mumbai

Date: May 22, 2023

Place:

Date: May 22, 2023

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Service revenue (including amount referred in note 39)		13,372	15,446
Other operating income	23	271	175
Revenue from operations		13,643	15,621
Interest income		75	59
Total income		13,718	15,680
Expenses			
Employee benefit expenses	24	1,795	1,773
Network expenses and IT outsourcing cost	25	6,438	7,058
License fees		1,070	1,239
Subscriber acquisition and servicing expenditure	26	2,010	1,784
Advertisement and business promotion expenditure		116	48
Other expenses	27	719	578
		12,148	12,480
Profit/(Loss) before finance costs, depreciation, amortisation and tax		1,570	3,200
Finance costs	28	1,829	1,373
Depreciation	6	4,262	4,762
Amortisation	7	2	2
Profit/(Loss) before tax		(4,523)	(2,937)
Tax expense:			
- Current tax	37	-	-
- Deferred tax	37	-	-
Profit/(Loss) after tax for the year		(4,523)	(2,937)
Other comprehensive income/(loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) of defined benefit plans	35	(1)	14
Income tax effect	37	-	-
Other comprehensive income/(loss) for the year, net of tax		(1)	14
Total comprehensive income/(loss) for the year		(4,524)	(2,923)
Earning/(Loss) per equity share of Rs. 10 each:			
Basic (Rs.)		(6.03)	(3.92)
Diluted (Rs.)		(6.03)	(3.92)

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

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

Amit Poddar

Partner

Membership No.: 509192

Jagbir Singh

Director

(DIN:03258009)

EVS Chakravarthy

Managing Director & CEO

(DIN:00603085)

Tridib Ghosh Dastider

Chief Financial Officer

Vineet Choraria

Company Secretary

(ACS:25887)

Place: Mumbai

Date: May 22, 2023

Place:

Date: May 22, 2023

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital:

Equity shares of Rs.10 each issued, subscribed and fully paid

	Numbers	Amount
As at April 1, 2021	75,004,960	7,500
Issued during the year	-	-
As at March 31, 2022	75,004,960	7,500
Issued during the year	-	-
As at March 31, 2023	75,004,960	7,500

B. Other equity

Particulars	Reserves and surplus			Total
	Capital reserve	Securities premium	Retained earnings	
As at April 1, 2021	268	3,727	(11,287)	(7,292)
Profit/(Loss) for the year ended March 31, 2022	-	-	(2,937)	(2,937)
Other comprehensive income/(loss) for the year ended March 31, 2022	-	-	14	14
Total comprehensive income/(loss)	-	-	(2,923)	(2,923)
As at March 31, 2022	268	3,727	(14,210)	(10,215)
Profit/(Loss) for the year ended March 31, 2023	-	-	(4,523)	(4,523)
Other comprehensive income/(loss) for the year ended March 31, 2023	-	-	(1)	(1)
Total comprehensive income/(loss)	-	-	(4,524)	(4,524)
As at March 31, 2023	268	3,727	(18,734)	(14,739)

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of

You Broadband India Limited

Amit Poddar

Partner

Membership No.: 509192

Jagbir Singh

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You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Statement of Cash Flows for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating activities		
Profit/(Loss) before tax	(4,523)	(2,937)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation of property, plant and equipment (including RoU Assets)	4,262	4,762
Amortisation of intangible assets	2	2
Loss/(Gain) on disposal of property, plant and equipment (net)	(19)	(180)
Finance costs (including Fair value change in Financial instruments)	1,829	1,373
Allowance for doubtful debts / advances	(139)	(25)
Bad debts / advances written off	129	44
Liabilities / provisions no longer required written back	(268)	(164)
Interest income	(75)	(59)
Working capital adjustments		
(Increase)/Decrease in trade receivables	(16)	75
(Increase) in other financial and non-financial assets	(144)	(47)
Increase/(Decrease) in trade payables	419	(109)
Increase in other financial and non-financial liabilities	849	24
Cash flows from operating activities	2,306	2,759
Income tax refund/(paid) (including TDS) (net)	104	(98)
Net cash flows from operating activities	2,410	2,661
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(1,390)	(2,155)
Proceeds from sale of property, plant and equipment and intangible assets	30	207
Maturity/(Placement) for Fixed deposits with banks having maturity of 3 to 12 months	(527)	22
Interest received	68	60
Net cash flows (used in) investing activities	(1,819)	(1,866)
Financing activities		
Payment of interest and finance charges	(545)	(342)
Payment of lease liabilities	(764)	(745)
Proceeds from short term borrowings	8,906	8,906
Repayment of short term borrowings	(8,911)	(9,325)
Net cash flows (used in) financing activities	(1,314)	(1,506)
Net decrease in cash and cash equivalents	(723)	(711)
Cash and cash equivalents at the beginning of the year	986	1,697
Cash and cash equivalents at the end of the year (refer note 11)	263	986

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

(All amounts are in Rs. 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	Interest accrued but not due	Lease liabilities
Balance as at April 1, 2021	9,325	10	1,527
(i) Cash flow Items			
Net proceed / (repayment) of borrowings	(419)	-	-
Payment of Interest and finance charges	-	(342)	-
Payment of lease liabilities	-	-	(745)
(ii) Non - cash items			
Finance cost accrued (charged to profit and loss)	-	359	131
Additions	-	-	575
Disposals	-	-	(34)
Balance as at March 31, 2022	8,906	27	1,454
(i) Cash flow Items			
Net proceed / (repayment) of borrowings	(5)	-	-
Payment of Interest and finance charges	-	(545)	-
Payment of lease liabilities	-	-	(764)
(ii) Non - cash items			
Finance cost accrued (charged to profit and loss)	-	566	138
Additions	-	-	876
Disposals	-	-	(53)
Balance as at March 31, 2023	8,901	48	1,651

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

For and on behalf of the Board of Directors of

You Broadband India Limited

Amit Poddar

Partner

Membership No.: 509192

Jagbir Singh

Director

(DIN:03258009)

EVS Chakravarthy

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Chief Financial Officer

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Company Secretary

(ACS:25887)

Place: Mumbai

Date: May 22, 2023

Place:

Date: May 22, 2023

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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 10th Floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400030, India.

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

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 22, 2023.

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 Rs. has been rounded off to lakhs unless otherwise stated.

The Company has elected to present Profit/(Loss) before finance costs, depreciation, amortisation and tax as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include finance costs, depreciation, amortisation and tax.

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.

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.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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.

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 is the right to consideration in exchange for services transferred to the customer. If the Company performs its obligation by transferring services to a customer before the same is invoiced to the customer, unbilled income is recognised for the earned consideration that is conditional on satisfaction of performance obligation.

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 m) 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 services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers 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 j)

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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 is 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

iii. 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 unit credit 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, 2023

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

Notes to Financial Statements

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 (Rs.) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at the Rs. 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) 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.

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.

g) Current / Non – current classification

An asset is classified as current when

- a) It is expected to be realized or consumed in the 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.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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 company;
- 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 company 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.

h) 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.

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 ¹	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
Vehicles	4 years

¹Other 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.

i) 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

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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 license 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.

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.

j) 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.

k) 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

l) 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.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

m) 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.

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) – The Company does not have any assets classified as 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.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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.

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.

You Broadband India Limited

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

Notes to Financial Statements

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.

n) 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.

o) 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.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

p) Provisions and Contingent liabilities

Provisions:

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.

q) 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.

r) New Amendments adopted during the year

i. Amendments to Ind AS

MCA vide notification no. G.S.R. 255(E) dated March 23, 2022 has issued Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends following Ind AS:

- Ind AS 103 Business Combinations
- Ind AS 109 Financial Instruments
- Ind AS 16 Property, Plant and Equipment
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 106 Exploration for and Evaluation of Mineral Resources

The amendments are applicable for annual periods beginning after April 1, 2022, however, these do not have material impact on the Financial Statements of the Company.

ii. Amendments to Ind AS issued but not yet effective

MCA vide notification no. G.S.R. 242(E) dated March 31, 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends following Ind AS:

- Ind AS 101 First Time Adoption of Indian Accounting Standards
- Ind AS 102 Shared based Payment
- Ind AS 12 Income Taxes
- Ind AS 107 Financial Instrument Disclosures
- Ind AS 103 Business Combinations
- Ind AS 109 Financial Instruments
- Ind AS 115 Revenue from Contracts with Customers
- Ind AS 1 Presentation of Financial Statements
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 34 Interim Financial Reporting

The amendments are applicable for annual periods beginning after April 1, 2023. The company has evaluated the amendments and the impact is not expected to be material.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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 37.

ii. Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity 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 are based on expected future inflation rates. Further details about gratuity obligations are given in note 35.

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.

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 and intangible assets are given in Note 6 and 7.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

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 30 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.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

(All amounts are in Rs. 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	Total
Cost							
As at April 1, 2021	7	43,199	22	214	18	2,479	45,939
Additions	-	1,763	-	2	-	575	2,340
Disposals/Adjustments	-	(31)	(2)	(31)	-	(684)	(748)
As at March 31, 2022	7	44,931	20	185	18	2,370	47,531
Additions	-	1,519	3	5	-	876	2,403
Disposals/Adjustments	-	(78)	-	(38)	(2)	(616)	(734)
As at March 31, 2023	7	46,372	23	152	16	2,630	49,200
Accumulated Depreciation							
As at April 1, 2021	7	20,725	17	179	16	1,065	22,009
Depreciation charge for the year	-	4,058	1	18	1	684	4,762
Disposals/Adjustments	-	(14)	(2)	(30)	-	(641)	(687)
As at March 31, 2022	7	24,769	16	167	17	1,108	26,084
Depreciation charge for the year	-	3,552	2	13	1	694	4,262
Disposals/Adjustments	-	(71)	-	(38)	(2)	(559)	(670)
As at March 31, 2023	7	28,250	18	142	16	1,243	29,676
Net Book Value							
As at March 31, 2023	-	18,122	5	10	-	1,387	19,524
As at March 31, 2022	-	20,162	4	18	1	1,262	21,447

The following is ageing schedule of Capital work-in-progress (CWIP):

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in progress	757	32	-	-	789
Total	757	32	-	-	789
As at March 31, 2022					
Projects in progress	390	113	-	-	503
Total	390	113	-	-	503

Note - Project in progress are reviewed by the management on regular basis and deployed as per business requirement.

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

Note 7

Intangible assets

Particulars	License fees**	Computer - Software	Total
Cost			
As at April 1, 2021	30	14	44
Additions	-	-	-
Disposals/Adjustments	-	(1)	(1)
As at March 31, 2022	30	13	43
Additions	-	-	-
Disposals/Adjustments	-	-	-
As at March 31, 2023	30	13	43
Accumulated Amortisation			
As at April 1, 2021	5	11	16
Amortisation charge for the year	2	0	2
Disposals/Adjustments	-	-*	-
As at March 31, 2022	7	11	18
Amortisation charge for the year	2	0	2
Disposals/Adjustments	-	-	-
As at March 31, 2023	8	12	20
Net Book Value			
As at March 31, 2023	22	1	23
As at March 31, 2022	23	2	25

*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, 2023 is 15 years (March 31, 2022: 16 years) based on the telecom service license validity period.

Note 8

Other non-current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with body corporate and others		
- Considered good	127	123
- Considered doubtful	23	26
Deposits and balances with government authorities		
- Considered good	115	126
- Considered doubtful	13	-
Margin money deposits	60	60
	338	335
Allowance for doubtful advances (refer note 33)	(36)	(26)
Total	302	309

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

Note 9

Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances		
- Considered doubtful	22	22
Advance income tax (net)	80	184
Others (consisting mainly deposit against demands which are appealed against / subjudice)		
- Considered good	30	18
- Considered doubtful	4	11
	136	235
Allowance for doubtful advances (refer note 33)	(26)	(33)
Total	110	202

Note 10

Trade receivables (Unsecured, unless otherwise stated) (including amount referred to in note 39)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivable - Considered good	166	279
Allowance for doubtful debts (refer note 33)	(81)	(208)
	85	71
Unbilled Receivables - Considered good	.*	.*
Total	85	71

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of Rs. 17 Lakhs (March 31, 2022: Rs.20 Lakhs).

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

The following is ageing schedule of trade receivables :

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
Trade receivables - Billed						
Undisputed trade receivables – considered good	80	11	10	25	40	166
	80	11	10	25	40	166
Less : Allowance for doubtful trade receivables - Billed						(81)
						85
Trade receivables - Unbilled						.*
Total						85
As at March 31, 2022						
Trade receivables - Billed						
Undisputed trade receivables – considered good	69	21	24	47	118	279
	69	21	24	47	118	279
Less : Allowance for doubtful trade receivables - Billed						(208)
						71
Trade receivables - Unbilled						.*
Total						71

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

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

Note 11

Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	66	32
- In deposit accounts (having maturity less than 3 months)	175	925
Cheques on hand	20	24
Cash on hand	2	5
Total	263	986

Note 12

Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money deposits	212	212
Bank deposits with maturity from 3-12 months	550	23
Total	762	235

Note 13

Other current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivable	14	7
Total	14	7

Note 14

Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
GST recoverable	661	502
Prepaid expenses	279	303
Others		
- Considered good	49	12
- Considered doubtful	16	31
	1,005	848
Allowance for doubtful advances (refer note 33)	(16)	(31)
Total	989	817

You Broadband India Limited

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

Notes to Financial Statements

Note 15

Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Equity share capital				
Authorised share capital				
Equity shares of Rs. 10 each	751,010,000	75,101	751,010,000	75,101
	751,010,000	75,101	751,010,000	75,101
Issued, subscribed and paid-up share capital				
Equity shares of Rs.10 each fully paid up	75,004,960	7,500	75,004,960	7,500
	75,004,960	7,500	75,004,960	7,500

(a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Equity shares outstanding at the beginning of the year	75,004,960	7,500	75,004,960	7,500
Equity shares outstanding at the end of the year	75,004,960	7,500	75,004,960	7,500

(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 Rs.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, 2023		As at March 31, 2022	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid				
Vodafone Idea Limited, the holding company and its nominees	75,004,960	100%	75,004,960	100%

Note 16

Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Capital reserve¹		
Opening balance	268	268
Addition during the year	-	-
Closing balance (A)	268	268
(ii) Retained earnings		
Opening balance	(14,210)	(11,287)
Profit/(Loss) after tax for the year	(4,523)	(2,937)
Other comprehensive income/(loss) for the year	(1)	14
Closing balance (B)	(18,734)	(14,210)
(iii) Securities premium		
Opening balance	3,727	3,727
Addition during the year	-	-
Closing balance (C)	3,727	3,727
Total(A+B+C)	(14,739)	(10,215)

¹ Capital reserve represents reserve created for issue of share based option to employees.

You Broadband India Limited

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Notes to Financial Statements

Note 17

(A) The following is ageing schedule of trade payables :

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
Micro enterprises and small enterprises	23	134	1	1	1	160
Others	167	1,021	80	295	127	1,690
	190	1,155	81	296	128	1,850
Accrued expenses						1,959
Total						3,809
Non-current						37
Current						3,772
As at March 31, 2022						
Micro enterprises and small enterprises	13	16	1	-	-	30
Others	377	888	306	103	223	1,897
	390	904	307	103	223	1,927
Accrued expenses						1,457
Total						3,384
Current						3,384

(B) Information as per the requirement of Section 22 of the Micro, Small And Medium Enterprises Development Act, 2006

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	143	23
(ii) The interest due on above	3	-
The total of (i) & (ii)	146	23
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	230	219
d) The amounts of interest accrued and remaining unpaid at the end of financial year	17	7
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.	6	3

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

Note 18

Other non-current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers and deferred revenue	38	60
Total	38	60

Note 19

Short term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured Loans		
Loan from related parties (refer note 39) ¹	8,901	8,906
Total	8,901	8,906

¹ The loan is repayable on demand with 6.98% interest rate (March 31, 2022 : 4.01%)

Note 20

Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Payable for capital expenditure	1,087	653
Interest accrued but not due on borrowings (refer note 39)	48	27
Security deposits from customers and others	1,760	1,982
Total	2,895	2,662

Note 21

Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers and deferred revenue ⁽¹⁾	3,323	3,528
respect to subjudice matter related to licensing dispute) (including amount referred in note 44)	9,483	7,319
Total	12,806	10,847

⁽¹⁾ Revenue recognised during the year from deferred revenue and advance from customers (contract liability) at the beginning of the year is Rs. 3,528 (March 31, 2022: Rs. 4,559).

Note 22

Short term provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (refer note 35)	-	4
Total	-	4

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

Note 23

Other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Liabilities no longer required written back	268	164
Miscellaneous receipts	3	11
Total	271	175

Note 24

Employee benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	1,535	1,528
Contribution to provident and other funds (refer note 35)	99	107
Staff welfare	153	137
Recruitment and training	8	1
Total	1,795	1,773

Note 25

Network expenses and IT outsourcing cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Security service charges	1,988	1,931
Power and fuel	227	266
Repairs and maintenance - plant and machinery	611	1,141
Lease line and connectivity charges (including amount referred in note 39)	3,197	3,315
Network insurance	74	84
Other network operating expenses	341	321
Total	6,438	7,058

Note 26

Subscriber acquisition and servicing expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Collection, telecalling and servicing expenses	177	224
Sales support cost, commission and others	1,474	1,184
Customer retention and customer loyalty expenses	359	376
Total	2,010	1,784

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

Note 27

Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance		
- Building	30	24
- Others	52	36
Infra sharing support charges (refer note 39)	3	-
Rates and taxes	11	19
Electricity	99	87
Printing and stationery	15	15
Communication expenses	32	16
Travelling and conveyance	107	90
Allowances for doubtful debts and advances (refer note 33)	(139)	(25)
Bad debts / advances written off	129	44
Loss/(Gain) on disposal of property, plant and equipment (net)	(19)	(180)
Directors sitting fees (refer note 39)	1	3
Legal and professional charges	51	66
Audit fees (refer note 36)	14	14
Business support expense	125	106
Support service charges (refer note 39)	162	203
Miscellaneous expenses	46	60
Total	719	578

Note 28

Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on borrowings (refer note 39)	562	359
Interest expense on lease liabilities (refer note 31)	138	131
Interest on AGR liability (refer note 44)	943	720
Interest on others (including amount referred in note 17)	173	145
Other finance charges	4	7
Total interest expense	1,820	1,362
Exchange difference (net)	9	11
Total	1,829	1,373

Note 29

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 Rs.272 (March 31, 2022: Rs.162)

Note 30

Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Sales Tax/Value Added Tax	8	-*

*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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Notes to Financial Statements

Sales Tax / Value Added Tax

During the year the Company has received demand order of Rs. 1 lacs in Telangana state and Rs.7 lacs in Gujarat state, for interest payment on account of delayed filing of GST returns for FY 2017-18.

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.

Note 31

Leases

Company as a lessee

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening balance	1,454	1,527
Additions	876	575
Accretion of interest	138	131
Payments	(764)	(745)
Disposals	(53)	(34)
Closing balance	1,651	1,454
Current	1089	880
Non-current	562	574

The maturity analysis of lease liabilities are disclosed in note 41

Note 32

Details of foreign currency exposures

Not hedged by a derivative instrument or otherwise

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Trade payables and Other financial liability		
In USD	4	1
In GBP	.*	.*
Equivalent Rs. of Trade payables and Other current financial liability in foreign currency ¹	339	114

¹ Amount in Rs. represents conversion at closing rate

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

Note 33

Movement of Allowances for Doubtful debts/advances

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening Balance	298	323
Charged to Statement of Profit and Loss (net) (refer note 27)	(139)	(25)
Closing Balance	159	298

You Broadband India Limited

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Notes to Financial Statements

Note 34

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 35

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.

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, 2023	As at March 31, 2022
Amount recognised in Balance Sheet		
Present value of obligations as at the end of the year	204	246
Fair value of plan assets as at the end of the year	225	242
Net funded obligation	(21)	4
Net Asset/(Liability) recognised in Balance Sheet	21	(4)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
- Other current assets	21	-
- Short term provision	-	(4)

You Broadband India Limited

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Notes to Financial Statements

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of net defined benefit obligation		
Opening net defined benefit liability/(asset)	4	24
Expense charged to statement of profit & loss	21	23
Expense / (Income) charged to OCI	1	(14)
Employer contributions	(47)	(29)
Closing net defined benefit liability/(asset)	(21)	4
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	246	246
Current service cost	21	22
Interest on defined benefit obligation	15	15
Actuarial (Gain)/Loss arising from change in financial assumptions	(7)	(5)
Actuarial (Gain)/Loss arising from change in demographic assumptions	-	(7)
Actuarial (Gain)/Loss arising on account of experience changes	7	(2)
Benefits paid	(78)	(23)
Closing defined benefit obligation	204	246
Reconciliation of plan assets		
Opening fair value of plan assets	242	222
Employer contributions	47	29
Interest on plan assets	15	14
Re measurements due to		
- Actual return on plan assets less expected interest on plan assets	(1)	-
Benefits paid	(78)	(23)
Closing fair value of plan assets	225	242

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses recognised in the Statement of Profit & Loss		
Current service cost	21	22
Interest on net defined benefit liability/(asset)	-	1
Expenses recognised in the Statement of Profit & Loss	21	23
Amount recorded as Other Comprehensive Income (OCI)		
Re measurement during the period due to		
- Changes in financial assumptions	(7)	(5)
- Changes in demographic assumptions	-	(7)
- Experience adjustments	7	(2)
- Return on plan assets (excluding amounts included in net interest expense)	1	-
Amount recognised in OCI (gains) / loss	1	(14)

You Broadband India Limited

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

Notes to Financial Statements

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.40%	6.85%
Future salary increases ¹	5.00%	5.00%
Attrition rate	25 years & below - 4% 26 - 35 years - 21% 36 - 45 years - 17% 46 - 55 years - 9% 56 years & above - 0%	25 years & below - 4% 26 - 35 years - 21% 36 - 45 years - 17% 46 - 55 years - 9% 56 years & above - 0%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) Table	
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

¹The 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, 2023		For the year ended March 31, 2022	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	-3.04%	2.52%	-3.03%	2.57%
Impact of decrease in 50 bps on DBO	3.25%	-2.45%	3.25%	-2.36%

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, 2023	For the year ended March 31, 2022
Within the next 12 months	17	21

Disaggregation details of plan assets (% allocation):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Insurer Managed Funds ¹	100%	100%

¹The funds are managed by insurers and they do not provide breakup of plan assets by investment type.

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, 2023	For the year ended March 31, 2022
Expected benefits for year 1	33	47
Expected benefits for year 2	26	31
Expected benefits for year 3	22	26
Expected benefits for year 4	38	23
Expected benefits for year 5 and above	254	301

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.33 years (March 31, 2022: 8.42 years).

You Broadband India Limited

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Notes to Financial Statements

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, 2023	For the year ended March 31, 2022
Employers' contribution to provident and other fund	78	84

Note 36

Auditor's Remuneration

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit fees	14	14
Total Remuneration	14	14

Note 37

Income tax expenses

(a) Major components of tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	-
Deferred tax	-	-
Income tax effect of re-measurement (gains)/losses on defined benefit plans taken to other comprehensive income / (loss)	-	-

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before income tax expense	(4,523)	(2,937)
Applicable tax rate	25.17%	25.17%
Increase / reduction in taxes on account of:		
Effect of items for which no deferred tax is recognised	(25.39)%	(25.13)%
Effects of expenses / income that are not deductible / considered in determining the taxable profits	0.22%	(0.04)%
Effective tax rate	0.00%	0.00%

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 / temporary differences of Rs. 38,057 as of March 31, 2023 (March 31, 2022: Rs. 33,168).

Particulars	As at March 31, 2023	As at March 31, 2022
Unlimited	38,057	33,168
Total	38,057	33,168

You Broadband India Limited

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

Notes to Financial Statements

Note 38

Basic & Diluted Earnings/(Loss) per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Nominal value of equity shares (Rs.)	10/-	10/-
Profit/(Loss) after Tax	(4,523)	(2,937)
Profit/(Loss) attributable to equity shareholders	(4,523)	(2,937)
Weighted average number of equity shares outstanding during the year	75,004,960	75,004,960
Basic and Diluted (Loss) Per Share (Rs.)	(6.03)	(3.92)

Note 39

Related party transactions

The Company has transactions with the below related parties:

Relationship	Related Party
Holding Company	Vodafone Idea Limited
Fellow Subsidiaries	Vodafone Idea Shared Services Limited Vodafone Idea Communication Systems Limited
Key Management Personnel (KMP)	Mr. EVS Chakravarthy (Appointed as Managing Director & CEO on July 14, 2022) Mr. Tridib Ghosh Dastider (CFO)* Mr. Krishnan Ramachandran (Non-Executive Director) Mr. Jagbir Singh (Appointed as Non-Executive Director on January 19, 2022)* Mr. Suraj Kalra (Resigned as Non-Executive Director on March 26, 2022)* Ms. Shobha Prasad (Resigned as Independent Director on December 01, 2021)

* No transactions during the year

Government of India ('GoI') holds 33.14% equity shareholding in the Holding Company (w.e.f. February 07, 2023) as at 31st March 2023. The Company has certain obligations arising from the telecom license taken from the Department of Telecommunication ('DoT') which is a Ministry of GOI towards license fees.

A. Transactions with related parties for the year ended March 31, 2023 and March 31, 2022

Particulars	Holding Company	Fellow Subsidiary	KMP
Sale of Service	431 (347)	- -	- -
Purchase of service	2,051 (1,784)	162 (203)	- -
Interest expense on borrowings	- -	562 (358)	- -
Expense incurred on company's behalf by	46 (75)	- -	- -
Loan taken	- -	8,906 (8,906)	- -
Loan repaid	- -	8,911 (9,325)	- -
Director's sitting fees paid	- -	- -	1 (3)
Remuneration	- -	- -	198 (182)

(Figures in bracket are for the year ended March 31, 2022)

You Broadband India Limited

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Notes to Financial Statements

B. Balances with Related Parties

Particulars	Holding Company	Fellow Subsidiary	KMP
Trade and Other payables	690	39	-
	(741)	(58)	-
Interest payable	-	48	-
	-	(27)	-
Prepaid expenses	175	-	-
	(201)	-	-
Outstanding loan payable	-	8,901	-
	-	(8,906)	-
Remuneration payable	-	-	23
	-	-	(22)

(Figures in bracket are as on March 31, 2022)

C. Compensation of Key Management Personnel of the Company

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	191	174
Post-employment benefits ¹	8	8

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

D. The significant related party transactions are summarised below :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Service		
Vodafone Idea Shared Services Limited	-	203
Interest expense on borrowings		
Vodafone Idea Communication Systems Limited	562	358
Loan taken		
Vodafone Idea Communication Systems Limited	8,906	8,906
Loan repaid		
Vodafone Idea Communication Systems Limited	8,911	9,325

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Notes to Financial Statements

Note 40

Financial Instruments

Particulars	As at March 31, 2023	As at March 31, 2022
	Amortised Cost	
Financial assets		
Trade receivables	85	71
Cash and cash equivalents	263	986
Margin money deposits ⁽¹⁾	272	272
Bank deposits with maturity from 3-12 months	550	23
Deposit with Body corporates, Government authorities and others	242	249
Interest receivable	14	7
Total Financial assets	1,426	1,608

Particulars	As at March 31, 2023	As at March 31, 2022
	Amortised Cost	
Financial liabilities		
Borrowings including Interest accrued but not due	8,949	8,933
Trade payables ⁽²⁾	3,809	3,384
Payables for capital expenditure	1,087	653
Security deposits from customers and others	1,760	1,982
Lease liabilities ⁽²⁾	1,651	1,454
Total Financial liabilities	17,256	16,406

⁽¹⁾ included in other current / non-current financial assets

⁽²⁾ included in other current / non-current financial liabilities

(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

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

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.

You Broadband India Limited

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Notes to Financial Statements

Note 41

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 6.98% 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.

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.

Currency exposure	Change in currency exchange rate	Effect on profit before tax
March 31, 2023		
USD	5%	(17)
	-5%	17
March 31, 2022		
USD	5%	(6)
	-5%	6

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.

You Broadband India Limited

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Notes to Financial Statements

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023 and March 31, 2022 on its carrying amounts as disclosed in notes 8, 10, 11, 12 and 13.

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
As at March 31, 2023					
Borrowings and Interest thereon ⁽¹⁾	8,949	8,949	-	-	8,949
Trade and other payables ⁽²⁾	4,896	4,859	37	-	4,896
Other financial liabilities ^{(1) & (2)}	1,760	1,760	-	-	1,760
Lease liabilities	1,651	1,085	792	29	1,906
Total	17,256	16,653	829	29	17,511
As at March 31, 2022					
Borrowings and Interest thereon ⁽¹⁾	8,933	8,933	-	-	8,933
Trade and other payables ⁽²⁾	4,037	4,037	-	-	4,037
Other financial liabilities ^{(1) & (2)}	1,982	1,982	-	-	1,982
Lease liabilities	1,454	719	741	30	1,490
Total	16,406	15,671	741	30	16,442

¹Interest accrued but not due of Rs. 48 (March 31, 2022: Rs. 27) has been excluded from other financial liabilities and included in borrowings and interest thereon.

²Payable for capex expenditure of Rs. 1,087 (March 31, 2022: Rs. 653) has been excluded from other financial liabilities and included in trade and other payables.

Note 42

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 external (i.e. excluding those of Holding Company and Fellow Subsidiaries) financial liabilities of trade and other payables which are payable within one year. The Company is confident of meeting its liabilities within the due dates with available liquid assets, receivable and effective working capital management. However, the Company may need financial support from the holding company, to settle some of its existing liabilities and fund the operations of the Company (refer note 43).

Note 43

The Company has accumulated losses of Rs.14,739 as at March 31, 2023 and the Company's current liabilities exceeded its current assets by Rs.27,350. 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.

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Notes to Financial Statements

Note 44

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 March 31, 2021, DoT issued amendment to the ISP license and included "Revenue from pure Revenue Services" with immediate effect. This amendment has been challenged by one of the ISP licensee before TDSAT vide order dated June 3, 2021. TDSAT allowed interim prayer till further orders. Further this amendment was also challenged by other ISP license holders subsequently and vide order dated June 10, 2021, TDSAT allowed interim protection to all ISPs. TDSAT also directed DoT to extend similar protection to the similarly placed licensee till next date of hearing. However, the Company on prudent basis has made additional provision of Rs. 1,221 (March 31, 2022: Rs.1,277) towards license fees on revenue from Pure Internet Service and interest thereon for the FY 22-23. This is resulting in cumulative provision of Rs.2,498 as on March 31, 2023 (March 31, 2022: Rs.1,277) in this regard.

Further the Company has made provision of Rs.943 (March 31, 2022: Rs.720) towards license fees demands raised by DoT and for the years demands not received on estimation basis. This is resulting in cumulative provision of Rs. 6,923 as on March 31, 2023 (March 31, 2022: Rs.5,983) 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 45

Additional disclosure as per requirement of Schedule III

A) Ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance	Reason for variance
Current Ratio ⁽¹⁾	0.10	0.12	(14)%	
Debt Equity Ratio ⁽²⁾	(1.23)	(3.28)	NA	
Debt Service Coverage Ratio ('DSCR') ⁽³⁾	0.07	0.23	(69)%	Mainly due to losses during the year and lower repayments of borrowings
Return on Equity Ratio ⁽⁴⁾	NA*	NA*	NA	
Trade Receivables turnover ratio (number of days) ⁽⁵⁾	2	3	(21)%	Mainly due to decrease in trade receivables
Trade Payables turnover ratio ⁽⁶⁾	3.09	3.32	(7)%	
Net capital turnover ratio ⁽⁷⁾	(0.74)	(1.00)	(26)%	Mainly due to decrease in revenue from operations
Net Profit ratio (%) ⁽⁸⁾	(33)%	(19)%	(33)%	Mainly due to losses during the year
Return on Capital employed ⁽⁹⁾	(167)%	(26)%	533%	Mainly due to losses during the year

* As the Net-worth is negative as on March 31, 2023 and March 31, 2022.

⁽¹⁾ Current Ratio = [Current assets/Current liabilities (excluding short term borrowings)]

⁽²⁾ Debt-Equity Ratio = [Debt (excluding interest accrued but not due)/ Equity]

⁽³⁾ DSCR = [Profit/(loss) before tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding interest on lease liabilities)]

⁽⁴⁾ Return on Equity Ratio = [Net Profit/(loss) after tax/ Average Equity]

⁽⁵⁾ Trade Receivables turnover ratio = [(Average trade receivables/(Revenue from operations))*Number of days during the period]

⁽⁶⁾ Trade Payables turnover ratio = [Total purchases/Average Trade Payables]

⁽⁷⁾ Net capital turnover ratio = [Revenue from operations / (Current asset - Current liability (excluding Short term borrowings))]

⁽⁸⁾ Net profit ratio = [Profit after tax/Revenue from operations]

⁽⁹⁾ Return on Capital employed = [(Profit/(loss) before tax + Finance costs) / (Equity share capital + Other equity + Debt (excluding interest accrued but not due))]

You Broadband India Limited

Financial Statements for the year ended March 31, 2023

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

Notes to Financial Statements

B) Relationship with struck off companies

Name of the Struck Off Company	Nature of transaction with Struck Off Company	Trasaction during year ended March 31, 2023	Trasaction during year ended March 31, 2022	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company
Getit Infoservices Private Limited	Receivables	-	-	.*	.*	Vendor
Winsel Marketing Private Limited	Receivables	-	-	.*	.*	Vendor
Lucivid Software Systems Private Limited	Receivables	-	-	1	1	Vendor
VD Intellisys Technologies Private Limited	Payables	.*	(2)	-	.*	Vendor

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

Note 46

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

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

Amit Poddar

Partner

Membership No.: 509192

Jagbir Singh

Director

(DIN:03258009)

EVS Chakravarthy

Managing Director & CEO

(DIN:00603085)

Tridib Ghosh Dastider

Chief Financial Officer

Vineet Choraria

Company Secretary

(ACS:25887)

Place: Mumbai

Date: May 22, 2023

Place:

Date: May 22, 2023