

YOU BROADBAND INDIA LIMITED

Separate Financial Statements

For the year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of You Broadband India Limited

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

We have audited the accompanying Ind AS financial statements of You Broadband India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

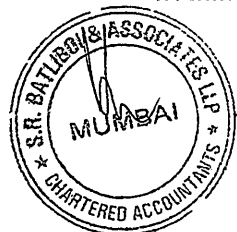
Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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



Responsibility of Management for the Ind AS Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

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

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



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Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 36 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Vineet Kedia**

Partner

Membership Number: 212230



Place: Mumbai

Date: May 6, 2019

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the service of Internet Broadband Services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, sales-tax, service tax, duty of excise, value added tax are not applicable to the Company.



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(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

| Name of the Statute | Nature of the Dues | Amount (Rs. In Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------------------|--------------------|-----------------------|------------------------------------|---|
| Finance Act, 1994 | Service Tax | 1,084 | 2003-14 | Customs Excise and Service tax Appellate Tribunal |
| Maharashtra Value Added Tax Act | Value Added Tax | 1 | 2010-11 | Assistant Commissioner of Commercial taxes |
| Karnataka Value Added Tax Act | Value Added Tax | -* | 2008-09 | Assistant Commissioner of Commercial taxes |

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

Amount paid under protest in respect of Service tax is Rs. 31 lakhs.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.



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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Vineet Kedia**

Partner

Membership Number: 212230

Place: Mumbai

Date: May 6, 2019



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

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

We have audited the internal financial controls over financial reporting of You Broadband India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls over financial reporting with reference to these Ind AS financial statements.



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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia
Partner

Membership Number: 212230



Place: Mumbai

Date: May 6, 2019

You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Balance Sheet as at March 31, 2019

| Particulars | Notes | As at March 31, 2019 | As at March 31, 2018 |
|--|-------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 25,031 | 20,853 |
| Capital work-in-progress | | 2,466 | 5,381 |
| Other Intangible assets | 8 | 29 | 8 |
| Financial assets | | | |
| Non-current investments | 9 | 1 | 1 |
| Other non-current financial assets | 10 | 370 | 438 |
| Other non-current assets | 11 | 513 | 369 |
| Total non-current assets (A) | | 28,410 | 27,050 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 12 | 630 | 392 |
| Cash and cash equivalents | 13 | 115 | 199 |
| Bank balance other than cash and cash equivalents | 14 | 282 | 348 |
| Other current financial assets | 15 | 2 | 2 |
| Other current assets | 16 | 1,657 | 1,548 |
| Total current assets (B) | | 2,686 | 2,489 |
| Total Assets (A+B) | | 31,096 | 29,539 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity share capital | 17 | 4,735 | 4,735 |
| Other equity | 18 | (7,252) | (3,078) |
| Total equity (A) | | (2,517) | 1,657 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | 18 | - |
| Long term provisions | 19 | 34 | 66 |
| Total non-current liabilities (B) | | 52 | 66 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Short term borrowings | 20 | 16,737 | 5,902 |
| Trade payables | 21 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 87 | 33 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,476 | 5,330 |
| Other current financial liabilities | 22 | 6,664 | 12,181 |
| Other current liabilities | 23 | 5,593 | 4,340 |
| Short term provisions | 24 | 4 | 30 |
| Total current liabilities (C) | | 33,561 | 27,816 |
| Total Equity and Liabilities (A+B+C) | | 31,096 | 29,539 |

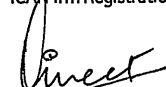
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004



Vineet Media

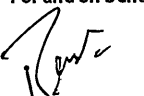
Partner

Membership No.: 212230

Place: Mumbai
Date: May 6, 2019



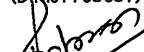
For and on behalf of the Board of Directors of You Broadband India Limited



Balesh Sharma

Director

(DIN: 07783637)



Dinesh Patwari

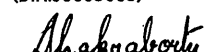
Chief Financial Officer



EVS Chakravarthy

Managing Director & CEO

(DIN: 00603085)



Lakshmisree Chakraborty

Company Secretary

(ACS: 16400)

Place: Mumbai
Date: 06-05-2019



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Statement of Profit and Loss for the year ended March 31, 2019

| Particulars | Notes | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|-------|--------------------------------------|--------------------------------------|
| Income | | | |
| Service revenue | | 18,595 | 18,105 |
| Other operating income | 25 | 466 | 327 |
| Revenue from operations | | 19,061 | 18,432 |
| Other income | 26 | 29 | 87 |
| Total income | | 19,090 | 18,519 |
| Operating Expenditure | | | |
| Cost of trading goods | | - | 9 |
| Employee benefit expenses | 27 | 2,546 | 2,491 |
| Network expenses and IT outsourcing cost | 28 | 7,039 | 6,043 |
| License fees | 29 | 1,346 | 6 |
| Subscriber acquisition and servicing expenditure | 30 | 2,703 | 2,755 |
| Advertisement and business promotion expenditure | 31 | 657 | 605 |
| Other expenses | 32 | 2,218 | 2,647 |
| | | 16,509 | 14,556 |
| Profit before finance costs, depreciation, amortisation, exceptional items and tax | | 2,581 | 3,963 |
| Finance costs | 33 | 1,311 | 488 |
| Depreciation | 7 | 4,824 | 5,238 |
| Amortisation | | 10 | 39 |
| Loss before exceptional items and tax | | (3,564) | (1,802) |
| Exceptional items | 34 | 623 | 773 |
| Loss before tax | | (4,187) | (2,575) |
| Tax expense: | | | |
| - Current tax | 44 | - | - |
| - Deferred tax | | (3) | (4) |
| Loss after tax | | (4,184) | (2,571) |
| Other comprehensive income / (loss) | | | |
| Items not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement gains of defined benefit plans | 42 | 13 | 12 |
| Income tax effect | 45 | (3) | (4) |
| Other comprehensive income for the year, net of tax | | 10 | 8 |
| Total comprehensive loss for the year | | (4,174) | (2,563) |
| Loss per equity share of ₹ 10 each: | | | |
| Basic (₹) | 46 | (8.84) | (5.43) |
| Diluted (₹) | | (8.84) | (5.43) |

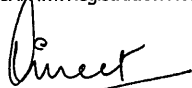
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004



Vineet Kedia

Partner

Membership No.: 212230

Place: Mumbai

Date: May 6, 2019



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


Balesh Sharma

Director

(DIN:07783637)


Dinesh Patwari

Chief Financial Officer

Place: Mumbai

Date: 06-05-2019



EVS Chakravarthy

Managing Director & CEO

(DIN:00603085)


Lakshmisree Chakraborty

Company Secretary

(ACS:16400)



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital:

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

| | Numbers | Amount |
|------------------------|------------|--------|
| As at April 1, 2017 | 47,345,392 | 4,735 |
| Issued during the year | - | - |
| As at March 31, 2018 | 47,345,392 | 4,735 |
| Issued during the year | - | - |
| As at March 31, 2019 | 47,345,392 | 4,735 |

B. Other equity

| Particulars | Reserves and surplus | | Total |
|---|----------------------|-------------------|---------|
| | Capital reserve | Retained earnings | |
| As at April 1, 2017 | 268 | (783) | (515) |
| Loss for the year | - | (2,571) | (2,571) |
| Other comprehensive income for the year | - | 8 | 8 |
| Total comprehensive loss | - | (2,563) | |
| As at March 31, 2018 | 268 | (3,346) | (3,078) |
| Loss for the year | - | (4,184) | (4,184) |
| Other comprehensive income for the year | - | 10 | 10 |
| Total comprehensive loss | - | (4,174) | |
| As at March 31, 2019 | 268 | (7,520) | (7,252) |

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Vineet Kedia

Partner

Membership No.: 212230

Place: Mumbai

Date: May 6, 2019



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

Balesh Sharma

Director

(DIN:07783637)

Dinesh Patwari

Chief Financial Officer

EVS Chakravarthy

Managing Director & CEO

(DIN:00603085)

Lakshmisree Chakraborty

Company Secretary

(ACS:16400)

Place: Mumbai

Date: 06-05-2019



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Statement of Cash Flows for the year ended March 31, 2019

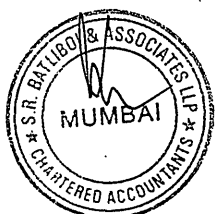
| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Loss before tax | (4,187) | (2,575) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 4,824 | 5,238 |
| Amortisation of intangible assets | 10 | 39 |
| Share-based payment expense (ESOS) | 18 | - |
| (Gain)/Loss on disposal of property, plant and equipment (net) | (12) | 187 |
| Finance costs (including fair value change in financial instruments) | 1,311 | 488 |
| Provision for gratuity and compensated absences | (64) | (1) |
| Allowance for doubtful debts / advances | (151) | 191 |
| Liabilities no longer required written back | (458) | (315) |
| Write off of capital work-in-progress | 623 | 773 |
| Other income | (29) | (87) |
| Working capital adjustments | | |
| (Increase) in trade receivables | (295) | (249) |
| Decrease in other financial and non-financial assets | 248 | 508 |
| (Decrease)/Increase in trade payables | (342) | 2,493 |
| Increase/(Decrease) in other financial and non-financial liabilities | 992 | (271) |
| Cash flows from operating activities | 2,488 | 6,419 |
| Income tax refund / paid (including TDS) (net) | (172) | 41 |
| Net cash flows from operating activities | 2,316 | 6,460 |
| Investing activities | | |
| Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) | (12,100) | (6,691) |
| Proceeds from sale of property, plant and equipment and intangible assets | - | 20 |
| Interest received | 29 | 93 |
| Net cash flows (used in) investing activities | (12,071) | (6,578) |
| Financing activities | | |
| Payment of interest and finance charges | (1,164) | (1,105) |
| Proceeds from short term borrowings | 15,335 | 5,902 |
| Repayment of short term borrowings | (4,500) | (3,890) |
| Net cash flows from financing activities | 9,671 | 907 |
| Net increase / (decrease) in cash and cash equivalents | (84) | 789 |
| Cash and cash equivalents at the beginning of the period | 199 | (590) |
| Cash and cash equivalents at the end of the period | 115 | 199 |

1. Cash and Cash Equivalents include the following Balance Sheet amounts

| Particular | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Cash on hand | 13 | 17 |
| Cheques on hand | 28 | 30 |
| Balances with banks | | |
| - In current accounts | 74 | 129 |
| - In deposit accounts (having maturity less than 3 months) | - | 23 |
| | 115 | 199 |

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

| Particulars | Changes in derivative assets / liabilities | Interest accrued but not due |
|---|---|---------------------------------|
| Balance as at April 1, 2017 | - | 625 |
| (i) Cash flow items | | |
| Payment of Interest and finance charges | - | (1,105) |
| (ii) Non - cash items | | |
| Finance cost accrued (charged to profit and loss) | - | 488 |
| Balance as at April 1, 2018 | - | 8 |
| (i) Cash flow items | | |
| Payment of Interest and finance charges | - | (1,164) |
| (ii) Non - cash items | | |
| Finance cost accrued (charged to profit and loss) | 63 | 1,248 |
| Balance as at March 31, 2019 | 63 | 92 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

3. 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

Vineet Media

Partner

Membership No.: 212230



Place: Mumbai
Date: May 6, 2019

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

Balesh Sharma

Director

(DIN: 07783637)

Dinesh Patwari

Chief Financial Officer

EVS Chakravarthy

Managing Director & CEO

(DIN: 00603085)

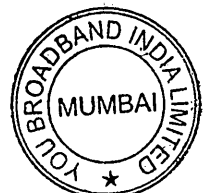
Lakshmisree Chakraborty

Company Secretary

(ACS: 16400)



Place: Mumbai
Date: 06-05-2019



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials 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 plot no. 54, Marol Co-operative Industrial Estate, Makwana, Andheri (East), Mumbai – 400059, India.

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

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 6, 2019.

2. Statement of compliance

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

3. Basis of preparation

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

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

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act, 2013.

New and amended standards adopted by the Company

Ind AS-115, "Revenue from Contracts with Customers"

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" basis the cumulative effect method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard was insignificant on these financial statements.

The new revenue recognition standard Ind AS 115 defines a new five-step model to recognise revenue from customer contracts. Revenue is recognised when a customer obtains control of the goods or receives services and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard supersedes Ind AS 18 'Revenue' and Ind AS 11 'Construction contracts' and related interpretations.

Other standards such as Ind AS 12 – "Income tax" and Ind AS 21 - "Foreign currency transactions and advance consideration" have been implemented but don't have impact.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

4. Significant Accounting Policies

a) Revenue recognition

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

i. Revenue from supply of services and sale of goods

Fixed line data revenue

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

Electronic devices and network equipment revenue

Revenue from sale of goods (excluding GST/service tax if any) 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 represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

iii. Trade receivables

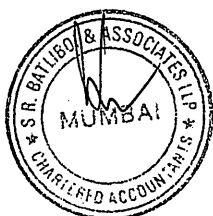
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 4 n) Financial instruments – initial recognition and subsequent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

iv. Advance from customer and Deferred revenue

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

b) Leases

The Company evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Operating lease:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

c) Employee benefits

i. Defined Contribution Plan

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

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

ii. Defined Benefit Plan

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

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

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

- Service costs; and
- Net interest expense or income

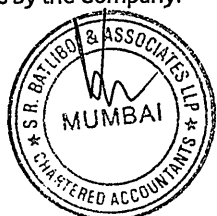
ii. Short-term and other long-term employee benefits

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

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

iii. Share- based payments

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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

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

d) Foreign currency transactions

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

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

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

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

e) 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

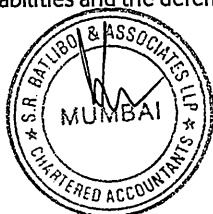
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the 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.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

f) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

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

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

g) 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* | 3 - 9 years |
| Office Equipments | 5 years |
| Furniture and Fixtures | 5 years |
| Motor Vehicles | 4 years |

*Other plant and machinery include Hybrid Fibre Cable equipment, CAT 5 cables, modems, customer premise equipments, tools and equipments.

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

During the year the management, in line with industry practice in India and based on internal technical evaluation, has revised the estimated useful lives of plant and machinery from 8 years to 9 years. Consequent to the revision, the net block as on April 1, 2018 will be depreciated uniformly over the balance useful life. As a result, the depreciation for the year is lower, profit before tax and net book value of fixed assets as at March 31, 2019 are higher by around INR 223 lakhs.

h) Intangible Assets

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

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

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

Intangible assets are amortised on straight line method as under:

- Cost of licenses is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the license.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management to be 3 years.
- Payment for Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and the cost is amortised over the period of the agreement i.e 10 years.

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

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

i) Investment in subsidiary

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

j) Impairment of Non – Financial Assets

Tangible 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.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m) 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.

n) 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.

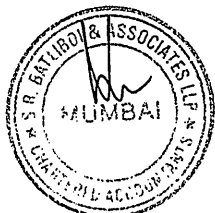
i. Financial assets

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)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

I. Financial assets measured at amortised cost

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

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

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

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

II. Financial assets measured at FVTPL

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either

- the Company has transferred substantially all the risks and rewards of the asset, or

- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

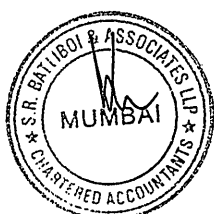
Impairment of financial assets

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

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

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

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.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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

ii. Financial liabilities

Subsequent measurement

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

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

De-recognition

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

iii. Derivative financial instruments

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

v. 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.

o) 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.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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.

p) 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.

q) Provisions and Contingent Liabilities

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

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

Contingent Liabilities

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

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.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

A. Estimates and Assumptions

i. Share-based payments

Share issued by Vodafone Group Plc., is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 41.

ii. 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 44 and 45.

iii. Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 42.

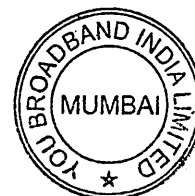
iv. Allowance for Trade receivable

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 12.

v. Useful life of Property, Plant and Equipment and intangible assets

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

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in Note 7.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

vi. 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 36 for further details about Contingent liabilities.

6. New accounting pronouncements to be adopted on or after April 1, 2019.

a. Ind AS 116- Leases

Ind AS 116 on Leases has been notified by the Ministry of Corporate Affairs on March 30, 2019 and is applicable from April 1, 2019. Ind AS 116 will replace Ind AS 17, the existing lease standard. The revised standard sets out the principles for recognition, measurement, presentation and disclosure of leases. It requires the lessee to recognize assets and liabilities for all leases with a few exemptions / exceptions. However, there is no major change in accounting by the lessor. The rights and obligations related to operating leases will now have to be recognised as assets (right-of-use asset) and liabilities (lease liability) in the Balance sheet of lessee vis-à-vis a disclosure requirement of future minimum lease payments as per the current standard. This may result in a significant increase in the Company's Total Assets and Lease Liability. Currently, the lease rentals for Operating Leases are charged to Statement of Profit & Loss as operating expenses. Going forward, the Right of Use Asset will be amortized over the lease period.

The Company is currently in the process of evaluating the effects of this standard on the financial statements.

b. Amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

Amendment clarify that Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

c. Amendment to Ind AS 12 'Income Tax'

The amendment clarifies that the income tax consequences of dividends including payments on financial instruments classified as equity, are linked more directly to past transactions or events that generated distributable profits rather than to distribution of such amounts to owners. Therefore, an entity shall recognise the income tax consequences of dividends in the Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is applicable from April 1, 2019 and has no impact on the financial statements.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

d. Amendment to Ind AS 19 'Employee Benefits'

The amendment clarifies that when a defined benefit plan is amended, curtailed or settled during a reporting period, the entity would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the period after the plan amendment, curtailment or settlement.

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendment is applicable from April 1, 2019 and has no significant impact on the Company's financial statements.

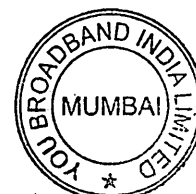
e. Amendment to Ind AS 109 'Financial Instruments'

The amendment clarifies that an exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion i.e. the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' for financial asset or a debt instrument which:

- i. have a prepayment feature that results in negative compensation
- ii. apart from the prepayment feature other features of financial assets would have contractual cash flows which would meet the SPPI criteria and
- iii. The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. (If it is impracticable to assess based on facts and circumstances that existed on initial recognition, then exception would not be available)

Such financial assets or debt instrument could be measured at amortised cost or at FVOCI based on business model within which they are held.

The amendment is applicable from April 1, 2019 and has no significant impact on the Company's financial statements.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 7

Property, Plant and Equipment

| Particulars | Leasehold Improvement | Plant and machinery | Furniture and fixtures | Office equipments | Vehicles | Total |
|-----------------------|-----------------------|---------------------|------------------------|-------------------|----------|--------|
| Cost | | | | | | |
| As at April 1, 2017 | 7 | 19,520 | 15 | 113 | 18 | 19,673 |
| Additions | - | 9,088 | 5 | 30 | - | 9,123 |
| Disposals/Adjustments | - | (21) | - | (3) | - | (24) |
| As at March 31, 2018 | 7 | 28,587 | 20 | 140 | 18 | 28,772 |
| Additions | - | 8,933 | 2 | 67 | - | 9,002 |
| Disposals/Adjustments | - | - | - | - | - | - |
| As at March 31, 2019 | 7 | 37,520 | 22 | 207 | 18 | 37,774 |

Accumulated Depreciation

| | | | | | | |
|----------------------------------|---|--------|----|-----|----|--------|
| As at April 1, 2017 | 5 | 2,647 | 6 | 45 | 2 | 2,705 |
| Depreciation charge for the year | 2 | 5,179 | 8 | 38 | 11 | 5,238 |
| Disposals/Adjustments | - | (21) | - | (3) | - | (24) |
| As at March 31, 2018 | 7 | 7,805 | 14 | 80 | 13 | 7,919 |
| Depreciation charge for the year | - | 4,783 | 2 | 37 | 2 | 4,824 |
| Disposals/Adjustments | - | - | - | - | - | - |
| As at March 31, 2019 | 7 | 12,588 | 16 | 117 | 15 | 12,743 |

Net Book Value

| | | | | | | |
|----------------------|---|--------|---|----|---|--------|
| As at March 31, 2019 | - | 24,932 | 6 | 90 | 3 | 25,031 |
| As at March 31, 2018 | - | 20,782 | 6 | 60 | 5 | 20,853 |

Note 8

Intangible assets

| Particulars | License fees | Computer - Software | Bandwidth | Total |
|-----------------------|--------------|---------------------|-----------|-------|
| Cost | | | | |
| As at April 1, 2017 | - | 10 | 74 | 84 |
| Additions | - | - | - | - |
| Disposals/Adjustments | - | - | - | - |
| As at March 31, 2018 | - | 10 | 74 | 84 |
| Additions | 30 | 1 | - | 31 |
| Disposals/Adjustments | - | - | - | - |
| As at March 31, 2019 | 30 | 11 | 74 | 115 |

Accumulated Amortisation

| | | | | |
|----------------------------------|---|----|----|----|
| As at April 1, 2017 | - | 2 | 35 | 37 |
| Amortisation charge for the year | - | 3 | 36 | 39 |
| Disposals/Adjustments | - | - | - | - |
| As at March 31, 2018 | - | 5 | 71 | 76 |
| Amortisation charge for the year | 2 | 5 | 3 | 10 |
| Disposals/Adjustments | - | - | - | - |
| As at March 31, 2019 | 2 | 10 | 74 | 86 |

Net Book Value

| | | | | |
|----------------------|----|---|---|----|
| As at March 31, 2019 | 28 | 1 | - | 29 |
| As at March 31, 2018 | - | 5 | 3 | 8 |

The remaining amortisation period of license fees and spectrum fees as at March 31, 2019 is 19 years (March 31, 2018 : Nil) based on the telecom service license / spectrum validity period.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 9

Non-current investments

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Investment (Unquoted) | | |
| Investments in Equity Instruments of Subsidiary | | |
| You System Integration Private Limited | 1 | 1 |
| 9,999 (March 31, 2018 : 9,999) fully paid equity shares of ₹ 10 each | | |
| Total | 1 | 1 |

Note 10

Other non-current financial assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Deposits with body corporate and others | | |
| - Considered Good | 254 | 308 |
| - Considered Doubtful | 9 | 54 |
| Deposits and balances with government authorities | 116 | 116 |
| Margin money deposits | - | 14 |
| | 379 | 492 |
| Allowance for doubtful advances (refer note 39) | (9) | (54) |
| Total | 370 | 438 |

Note 11

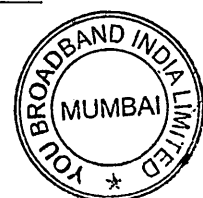
Other non-current assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Capital advances | | |
| - Considered Good | 45 | 78 |
| - Considered Doubtful | 3 | 2 |
| Prepaid expenses | 17 | 9 |
| Advance income tax (net) | 415 | 243 |
| Others (consisting mainly deposit against demands which are appealed against / subjudice) | | |
| - Considered Good | 36 | 39 |
| - Considered Doubtful | 4 | - |
| | 520 | 371 |
| Allowance for doubtful advances (refer note 39) | (7) | (2) |
| Total | 513 | 369 |

Note 12

Tradereceivables (Unsecured, unless otherwise stated) (refer note 47)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Billed Receivables | | |
| Unsecured - Considered Good | 630 | 392 |
| Unsecured - Considered Doubtful | 537 | 480 |
| | 1,167 | 872 |
| Allowance for doubtful debts (refer note 39) | (537) | (480) |
| Total | 630 | 392 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 13

Cash and cash equivalents

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Cash on hand | 13 | 17 |
| Cheques on hand | 28 | 30 |
| Balances with banks | | |
| - In current accounts | 74 | 129 |
| - In deposit accounts (having maturity less than 3 months) | - | 23 |
| Total | 115 | 199 |

Note 14

Bank balance other than cash and cash equivalents

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Margin money deposits | 263 | 294 |
| Bank deposits with maturity from 3-12 months | 19 | 54 |
| Total | 282 | 348 |

Note 15

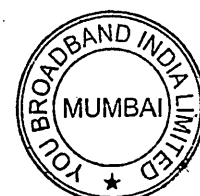
Other current financial assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------|-------------------------|-------------------------|
| Interest Receivable | 2 | 2 |
| Total | 2 | 2 |

Note 16

Other current assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Input tax credit | 1,325 | 984 |
| Prepaid expenses | 212 | 315 |
| Others (including amount referred to in note 47) | | |
| - Considered Good | 120 | 249 |
| - Considered Doubtful | 205 | 373 |
| | 1,862 | 1,921 |
| Allowance for doubtful advances (refer note 39) | (205) | (373) |
| Total | 1,657 | 1,548 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 17

Equity share capital

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|---------------|----------------------|---------------|
| | Numbers | Amount | Numbers | Amount |
| EQUITY SHARE CAPITAL | | | | |
| Authorised share capital | | | | |
| Equity Shares of ₹ 10 each | 750,000,000 | 75,000 | 750,000,000 | 75,000 |
| | 750,000,000 | 75,000 | 750,000,000 | 75,000 |
| Issued, subscribed and paid-up share capital | | | | |
| Equity Shares of ₹ 10 each fully paid up | 47,345,392 | 4,735 | 47,345,392 | 4,735 |
| | 47,345,392 | 4,735 | 47,345,392 | 4,735 |

(a) Reconciliation of number of shares outstanding

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|--------------|----------------------|--------------|
| | Numbers | Amount | Numbers | Amount |
| Equity shares outstanding at the beginning of the year | 47,345,392 | 4,735 | 47,345,392 | 4,735 |
| Issue of share capital | - | - | - | - |
| Equity shares outstanding at the end of the year | 47,345,392 | 4,735 | 47,345,392 | 4,735 |

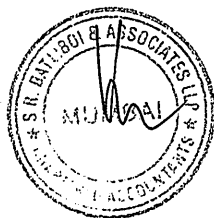
(b) Terms/ rights attached to issued, subscribed and paid up equity shares

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

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

| Name of the shareholders | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | Numbers | %holding in the class | Numbers | %holding in the class |
| Equity shares of ₹ 10 each fully paid | | | | |
| Vodafone Idea Limited, the holding company and its nominees (from August 31, 2018)* | 47,345,392 | 100% | - | - |
| Vodafone India Limited, the immediate holding company and its nominees (upto August 30, 2018)* | - | - | 47,345,392 | 100% |

* Pursuant to amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with Vodafone Idea Limited from August 31, 2018, the shareholding stands transferred to Vodafone Idea Limited.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 18

Other Equity

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| (i) Capital reserve⁽¹⁾ | | |
| Opening balance | 268 | 268 |
| Addition during the year | - | - |
| Closing balance (A) | 268 | 268 |
| (ii) Retained Earnings | | |
| Opening balance | (3,346) | (783) |
| Net Loss for the year | (4,184) | (2,571) |
| Other Comprehensive Income | 10 | 8 |
| Closing balance (B) | (7,520) | (3,346) |
| Total(A+B) | (7,252) | (3,078) |

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

Note 19

Long term provisions

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------|-------------------------|-------------------------|
| Gratuity (refer note 42) | - | 24 |
| Compensated absences | 34 | 42 |
| Total | 34 | 66 |

Note 20

Short term borrowings

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Unsecured Loans | | |
| Short term loan from banks | - | 4,500 |
| Loan from related parties (refer note 47)* | 16,737 | 1,402 |
| Total | 16,737 | 5,902 |

* Repayable on demand with variable interest rate is 7.5% (March 31, 2018: 7.5% to 7.65%)

Note 21

Trade payables (refer note 47)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 21.1) | 87 | 33 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,476 | 5,330 |
| Total | 4,563 | 5,363 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 21.1

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

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables | 84 | 33 |
| (ii) The interest due on above | 1 | - |
| The total of (i) & (ii) | 85 | 33 |
| 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 | 13 | 1 |
| d) The amounts of interest accrued and remaining unpaid at the end of financial year | 3 | - |
| e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act. | 2 | - |

Note 22

Other current financial liabilities

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Payable for capital expenditure | 3,783 | 9,186 |
| Interest accrued but not due on borrowings (refer note 47) | 92 | 8 |
| Security deposits from customers and others | 2,726 | 2,987 |
| Derivative liabilities at fair value through profit or loss | 63 | - |
| Total | 6,664 | 12,181 |

Note 23

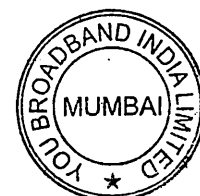
Other current liabilities

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Advance from customers and deferred revenue | 3,480 | 3,784 |
| Taxes, regulatory and statutory liabilities (includes provision with respect to subjudice matter related to licensing dispute) | 2,113 | 556 |
| Total | 5,593 | 4,340 |

Note 24

Short term provisions

| Particulars | As at | As at |
|--------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Gratuity (refer note 42) | - | 24 |
| Compensated absences | 4 | 6 |
| Total | 4 | 30 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 25

Other operating income

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Liabilities no longer required written back | 458 | 315 |
| Miscellaneous receipts | 8 | 12 |
| Total | 466 | 327 |

Note 26

Other income

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|-----------------|--------------------------------------|--------------------------------------|
| Interest income | 29 | 87 |
| Total | 29 | 87 |

Note 27

Employee benefit expenses

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus | 2,213 | 2,161 |
| Contribution to provident and other funds (refer note 42) | 142 | 162 |
| Share based payment expenses (ESOS) (refer note 41) | 18 | - |
| Staff welfare | 158 | 142 |
| Recruitment and training | 15 | 26 |
| Total | 2,546 | 2,491 |

Note 28

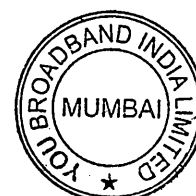
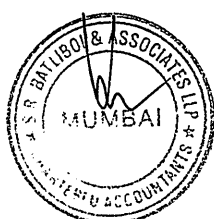
Network expenses and IT outsourcing cost

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Security service charges | 1,561 | 1,543 |
| Power and fuel | 273 | 252 |
| Repairs and maintenance - plant and machinery | 375 | 387 |
| Network rent | 630 | 453 |
| Lease line and connectivity charges | 4,082 | 3,267 |
| Network insurance | 57 | 101 |
| IT outsourcing cost | 61 | 40 |
| Total | 7,039 | 6,043 |

Note 29

License fees

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--------------|--------------------------------------|--------------------------------------|
| License fees | 1,346 | 6 |
| Total | 1,346 | 6 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 30

Subscriber acquisition and servicing expenditure

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Collection, telecalling and servicing expenses | 370 | 488 |
| Sales support cost, commission and others | 1,812 | 1,849 |
| Customer retention and customer loyalty expenses | 521 | 418 |
| Total | 2,703 | 2,755 |

Note 31

Advertisement and business promotion expenditure

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Advertisement and business promotion expenditure | 657 | 605 |
| Total | 657 | 605 |

Note 32

Other expenses

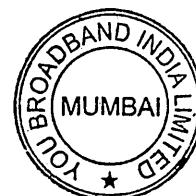
| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Repairs and maintenance | | |
| Building | 55 | 21 |
| Others | 97 | 90 |
| Other insurance | 57 | 45 |
| Non network rent | 654 | 621 |
| Rates and taxes | 17 | 14 |
| Electricity | 239 | 275 |
| Printing and stationery | 11 | 33 |
| Communication expenses | 93 | 69 |
| Travelling and conveyance | 185 | 258 |
| Allowances for doubtful debts and advances (refer note 39) | (151) | 191 |
| (Gain)/Loss on disposal of property, plant and equipment (net) | (12) | 187 |
| Bank charges | 14 | 15 |
| Directors Sitting Fees (refer note 47) | 4 | 4 |
| Legal and professional charges | 106 | 176 |
| Audit fees | 14 | 40 |
| Outsourcing cost | 351 | 313 |
| Miscellaneous expenses | 484 | 295 |
| Total | 2,218 | 2,647 |

Note 33

Finance costs

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Interest expense on borrowings* | 883 | 369 |
| Interest on others | 110 | 149 |
| Total interest expense | 993 | 518 |
| Exchange difference (net) | 255 | (30) |
| Loss / (gain) on derivatives (including fair value changes on derivatives) | 63 | - |
| Total | 1,311 | 488 |

* includes interest on fixed period loan ₹ 185 (March 31, 2018: ₹ 322)



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 34

Exceptional items

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Write off of capital work-in-progress | 623 | 773 |
| Total | 623 | 773 |

Note 35

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 ₹ 231 lakhs (March 31, 2018: ₹ 1,702 lakhs)

Note 36

Contingent liabilities

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------|-------------------------|-------------------------|
| Other licensing disputes | 1,183 | - |
| Service Tax matters | 189 | 189 |
| Sales Tax/Value Added Tax | 2 | 2 |

a) Other licensing disputes

Demands due to difference in interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters. Most of these demands are currently before the Hon'ble TDSAT and Hon'ble Supreme Court.

b) Service Tax matters

The company has received demand for irregular availment of Cenvat credit on Capital goods and service tax not disbursed on modern rent as it was subject to Value Added Tax. The Company has challenged its demand which is pending at Appellate Level.

c) Sales Tax / Value Added Tax

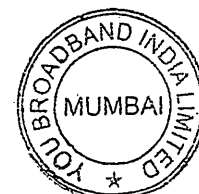
The Company had received demands for non-production of F & C forms for interstate sales. The Company has challenged these demands which are pending at commissioner level. Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. 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 recognised for the above.

d) The recent Hon'ble Supreme Court Judgment on PF dated February 28, 2019 has led to numerous interpretative issues including a review petition. The Company is in the process of evaluating the said judgment and possible implications, if any. The understanding and interpretation currently is that the impact arising out the judgment is not material. Accordingly, no impact has been given in these financial statements.

Note 37

Operating lease- Company as lessee

The Company's significant leasing arrangements are in respect of operating lease taken for offices, node and network equipment etc. These are cancellable operating lease agreements that are renewable on a periodic basis at the option of both lessee and lessor. Accordingly, the disclosures under IND AS 17 'Leases' for operating leases are not applicable. Rental expense of ₹ 1284 lakhs (March 31, 2018 ₹ 1074 lakhs) in respect of such lease has been recognized in the Statement of Profit and Loss for year ended March 31, 2019.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 38

Details of foreign currency exposures

a) Hedged by a Derivative Instrument

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Other current financial liability | | |
| In USD | 13 | - |
| Equivalent INR of Other current financial liability* | 907 | - |

*Amount in INR represents conversion at hedged rate

b) Not hedged by a Derivative Instrument or otherwise

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Trade Payables and Other current financial liability | | |
| In USD | 4 | 40 |
| Equivalent INR of Trade Payables and Other current financial liability in Foreign Currency* | 277 | 2,623 |

*Amount in INR represents conversion at closing rate

Note 39

Movement of Allowances for Doubtful debts/advances

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Opening Balance | 909 | 718 |
| Charged to Statement of Profit and Loss (Net) (refer Note 32)* | (151) | 191 |
| Closing Balance | 758 | 909 |

*includes reversal of provision ₹ 181 (March 31, 2018: Nil)

Note 40

Segment Information

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

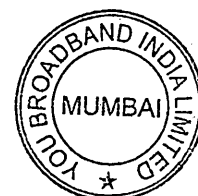
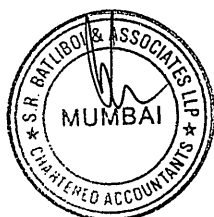
Note 41

Share based payments

Employee stock option plan – options granted by Vodafone Group Plc

Global Long Term Retention ("GLTR"):

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

As at year ended March 31, 2019, details and movements of the outstanding options are as follows:

| Particulars | As at March 31, 2019 |
|--|-------------------------|
| Options granted under GLTI / GLTR | No. of Options |
| Options outstanding as at April 1, 2018 | - |
| Options granted during the year | 41,538 |
| Options lapsed during the year | 6,685 |
| Options exercised during the year | - |
| Options outstanding at the end of the year | 34,853 |
| Options exercisable at the end of the year | 34,853 |
| Weighted average remaining contractual life of the options outstanding at the end of the year (in months) | 18 |

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of year ended March 31, 2019 is ₹ 18 lakhs.

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

The fair value of each option is mentioned below:

| Particulars | Grant date | Expected life | Market price on date of grant/re-pricing (₹) | Fair Value (₹) |
|-------------|------------|--|--|-------------------|
| GLTR | 16/02/18 | 2 years to 2.4 years continuous employment for GLTR | 179 | 179 |
| | 26/06/18 | 3 years / 2 years continuous employment for GLTR | 166 | 166 |

Note 42

Employee benefits

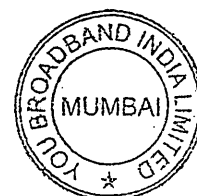
A. Defined Benefit Plan (Gratuity)

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.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Amount recognised in Balance Sheet | | |
| Present value of obligations as at the end of the year | 190 | 172 |
| Fair value of plan assets as at the end of the year | 208 | 124 |
| Net Funded Obligation | (18) | 48 |
| Net Asset/(Liability) recognised in Balance Sheet | 18 | (48) |
| Net Asset/(Liability) recognised in Balance Sheet is bifurcated as | | |
| - Other non-financial asset | 18 | - |
| - Long term provision | - | (24) |
| - Short term provision | - | (24) |

| Sr. No | Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|----------|--|--------------------------------------|--------------------------------------|
| 1 | Reconciliation of Net Defined Benefit Obligation | | |
| | Opening Net Defined Benefit liability/(asset) | 48 | 59 |
| | Expense charged to statement of profit & loss | 27 | 44 |
| | Income credited to OCI | (13) | (12) |
| | Employer contributions | (80) | (43) |
| | Closing Net Defined Benefit liability/(asset) | (18) | 48 |
| 2 | Reconciliation of Defined Benefit Obligation | | |
| | Opening Defined Benefit Obligation | 172 | 143 |
| | Current Service cost | 24 | 18 |
| | Past Service cost | - | 22 |
| | Interest on Defined Benefit Obligation | 12 | 10 |
| | Actuarial (Gain)/Loss arising from change in demographic assumptions | - | (7) |
| | Actuarial (Gain)/Loss arising on account of experience changes | (12) | (6) |
| | Benefits paid | (6) | (8) |
| | Closing Defined Benefit Obligation | 190 | 172 |
| 3 | Reconciliation of plan assets | | |
| | Opening fair value of plan assets | 124 | 84 |
| | Employer contributions | 80 | 43 |
| | Interest on plan assets | 9 | 6 |
| | Re measurements due to | | |
| | - Actual return on plan assets less interest on plan assets | 1 | (1) |
| | Benefits paid | (6) | (8) |
| | Closing fair value of plan assets | 208 | 124 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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

| Sr.No | Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|----------|--|--------------------------------------|--------------------------------------|
| 1 | Expenses Recognised in the Statement of Profit & Loss | | |
| | Current Service cost | 24 | 18 |
| | Past Service cost | - | 22 |
| | Interest on Net Defined Benefit liability/(asset) | 3 | 4 |
| | Expenses recognised in the Statement of Profit & Loss | 27 | 44 |
| 2 | Amount recorded as Other Comprehensive Income (OCI) | | |
| | Re measurement during the period due to | | |
| | - Changes in demographic assumptions | - | (7) |
| | - Experience adjustments | (12) | (6) |
| | - Return on plan assets (excluding amounts included in net interest expense) | (1) | 1 |
| | Amount recognised in OCI (gains) / loss | (13) | (12) |

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

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|----------------------------------|--|--|
| Discount rate | 7.50% | 7.50% |
| Future salary increases* | 5.00% | 5.00% |
| Attrition rate | 30 years and below - 20% 31-40 years - 15% 41-50 years - 5% 51 years and above - 5% | 30 years and below - 20% 31-40 years - 15% 41-50 years - 5% 51 years and above - 5% |
| Mortality rate during employment | As per Indian Assured Lives Mortality (2006-08) Ult Table | |
| Disability | Leaving service due to disability is included in the provision made for all causes of leaving service. | |

*The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

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

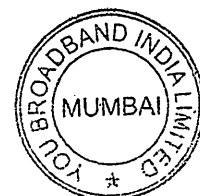
| Particulars | For the year ended March 31, 2019 | | For the year ended March 31, 2018 | |
|-------------------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | Discount Rate | Salary escalation Rate | Discount Rate | Salary escalation Rate |
| Impact of increase in 50 bps on DBO | -3.90% | 3.44% | -3.84% | 3.22% |
| Impact of decrease in 50 bps on DBO | 4.22% | -3.24% | 4.15% | -4.55% |

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.

Disaggregation details of plan assets (% allocation):

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|------------------------|--------------------------------------|--------------------------------------|
| Insurer Managed Funds* | 100% | 100% |

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Projected plan cash flow:

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

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Expected benefits for year 1 | (19) | 22 |
| Expected benefits for year 2 | 21 | 19 |
| Expected benefits for year 3 | 19 | 18 |
| Expected benefits for year 4 | 17 | 16 |
| Expected benefits for year 5 and above | 332 | 308 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.86 years (March 31, 2018: 11 years).

B. Defined contribution plans:

During the period/year, the Group has recognised the following amounts in the statement of profit and loss:

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Employers' contribution to provident and other fund | 115 | 118 |

Note 43

Auditor's Remuneration

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Statutory Audit Fees | 14 | 40 |
| Certification and Other services (included in Legal and Professional Charges) | 1 | - |
| Total Remuneration | 15 | 40 |

Note 44

Income Tax Expenses

(a) Major components of tax expense

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Current Tax | | |
| Current Tax on profits for the period | - | - |
| Total Current Tax Expense (A) | - | - |
| Deferred Tax | | |
| Relating to addition & reversal of temporary differences | (3) | (4) |
| Total Deferred Tax Expense (B) | (3) | (4) |
| Total Tax Expense (A+B) | (3) | (4) |
| Income tax effect of re-measurement (gains)/losses on defined benefit plans taken to other comprehensive income / (loss) | 3 | 4 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Loss before income tax expense | (4,187) | (2,575) |
| Applicable Tax Rate | 29.12% | 34.61% |
| Increase / reduction in taxes on account of: | | |
| Effect of items for which no deferred tax is recognised | -29.11% | -33.82% |
| Effects of expenses / income that are not deductible / considered in determining the taxable profits | 0.06% | -0.62% |
| Effective Tax Rate | 0.08% | 0.17% |

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty the Company has not recognized deferred tax assets in respect of carried forward tax losses / capital losses / temporary differences of ₹ 26,102 thousands as of March 31, 2019 (March 31, 2018: ₹ 21,139 thousands).

Note 45

Movement in Deferred Tax

| Particulars | As at April 1, 2017 | Recognised in | | | As at March 31, 2018 | Recognised in | | | As at March 31, 2019 |
|---|------------------------|--------------------|-----|-----------------|----------------------------|--------------------|-----|-----------------|----------------------------|
| | | Profit and Loss | OCI | Other equity | | Profit and Loss | OCI | Other equity | |
| Assets | | | | | | | | | |
| Expense allowable on payment basis | - | 4 | (4) | - | - | 3 | (3) | - | - |
| Total | - | 4 | (4) | - | - | 3 | (3) | - | - |
| Net Deferred Tax Liabilities/ (assets) | - | (4) | 4 | - | - | (3) | 3 | - | - |
| As per Financials: | | | | | | | | | |
| Deferred Tax Asset | - | | | - | - | | | - | - |
| Deferred Tax Liabilities | - | | | - | - | | | - | - |

Note 46

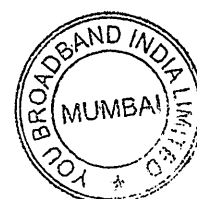
Basic & Diluted Earnings/(Loss) per Share

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Nominal value of equity shares | 10/- | 10/- |
| Loss after Tax | (4,184) | (2,571) |
| Loss attributable to equity shareholders | (4,184) | (2,571) |
| Weighted average number of equity shares outstanding during the year | 47,345,392 | 47,345,392 |
| Basic Loss Per Share | (8.84) | (5.43) |

Note 47

Related party transactions

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

The Company has transaction with below related parties:

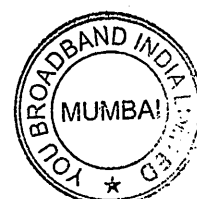
| Relationship | Related Party |
|--------------------------------|---|
| Holding Company | Vodafone Idea Limited (From August 31, 2018) |
| Ultimate Holding Company | Vodafone Group PLC (Till August 30, 2018) |
| Ultimate Holding Company | YOU Telecom (Mauritius) Limited (Till August 30, 2018) |
| Intermediate Holding Company | Vodafone International Holdings B.V. (Till August 30, 2018) |
| Immediate Holding Company | CGP India Investments Limited (Till August 30, 2018) |
| Subsidiary | Vodafone India Limited (Till August 30, 2018) |
| Fellow Subsidiaries | You System Integration Private Limited |
| | Vodafone Mobile Services Limited (Till August 30, 2018) |
| | Vodafone India Ventures Limited |
| | EVS Chakravarthy |
| | Lakshmisree Chakraborty |
| | Shobha Prasad |
| Key Management Personnel (KMP) | Ashok Sinha |
| | Balesh Sharma |
| | Dinesh Patwari (effective from December 1, 2018) |
| | Partha Choudhury (ceased from November 30, 2018) |

A. Transactions with Related Parties for the year ended March 31, 2019

| Particulars | Immediate Holding Company | Holding Company | Subsidiary | Fellow Subsidiary | KMP |
|---|---------------------------|-----------------|------------|-------------------|-------|
| Advance to related parties | - | - | - | - | - |
| | - | - | (8) | - | - |
| Sale of Service | 16 | 280 | - | 58 | - |
| | (13) | - | - | (15) | - |
| Purchase of service | - | 190 | - | 445 | - |
| | - | - | - | (427) | - |
| Interest expense on borrowings | 117 | 581 | - | - | - |
| | (47) | - | - | - | - |
| Expense incurred on company's behalf by | 152 | 209 | - | - | - |
| | (270) | - | - | - | - |
| Loan taken | 4,524 | 10,811 | - | - | - |
| | (1,402) | - | - | - | - |
| Remuneration* | - | - | - | - | 199 |
| | - | - | - | - | (205) |

(Figures in bracket are for the year ended March 31, 2018)

*excludes charge taken towards share based payments



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

B. Balances with Related Parties

| Particulars | Subsidiary | Fellow Subsidiary | Holding Company |
|-----------------------------|------------|----------------------|-------------------|
| Trade and Other Receivables | 11 (11) | - (13) | - (15) |
| Trade and Other Payables | - | 290 (656) | 553 (296) |
| Interest Payable | - | - | 92 (8) |
| Prepaid Expenses | - | - (39) | 43 - |
| Outstanding loan payable | - | - | 16,737 (1,402) |
| Advance to related parties | 64 (64) | - (5) | - (31) |
| Remuneration Payable | - | - | - - |

(Figures in bracket are as on March 31, 2018)

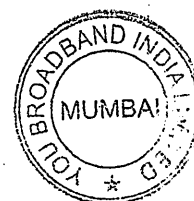
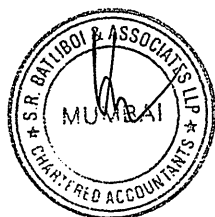
C. Director's Sitting Fees

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|-------------------------|---|--------------------------------------|
| Director's Sitting Fees | 4 | 3 |

D. Compensation of Key Management Personnel of the Company

| Particulars | March 31, 2019 | March 31, 2018 |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 166 | 189 |
| Post-employment benefits* | 33 | 16 |

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



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

Note 48

Financial Instruments

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

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|----------------|----------------------|----------------|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Financial Assets | | | | |
| Trade receivables | - | 630 | - | 392 |
| Cash and cash equivalents | - | 115 | - | 199 |
| Margin money deposits | - | 263 | - | 308 |
| Deposit with Body Corporates, Government Authorities and Others* | - | 370 | - | 424 |
| Interest Receivable | - | 2 | - | 2 |
| Total Financial Assets | - | 1,380 | - | 1,325 |

*included in other current/non-current financial assets

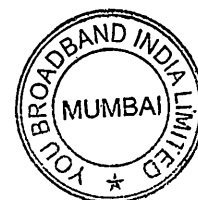
| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|----------------|----------------------|----------------|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Financial Liabilities | | | | |
| Floating rate borrowings including Interest accrued but not due | - | 16,829 | - | 5,910 |
| Trade Payables | - | 4,581 | - | 5,363 |
| Payables for Capital Expenditure | - | 3,783 | - | 9,186 |
| Security Deposits from Customers and Others | - | 2,726 | - | 2,987 |
| Derivative Financial Liabilities | 63 | - | - | - |
| Total Financial Liabilities | 63 | 27,919 | - | 23,446 |

(b) Fair value hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019.

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|---------|-----------|---------|-----------|
| Financial Liabilities | | | | |
| Derivative Financial Liabilities | - | 63 | - | 63 |
| Total Financial Liabilities | - | 63 | - | 63 |



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

ii. 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
- Margin Money Deposits
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Others

b) Financial Liabilities

- Floating Rate Borrowings including Interest accrued but not due
- Trade Payables
- Payable for capital expenditure
- Security Deposits from Customers and Others
- Others

Valuation Technique used to determine fair value:

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

Note 49

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

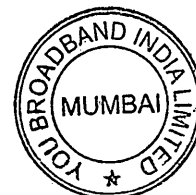
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Increase/decrease in basis points | Effect on profit before tax |
|-----------------------|--------------------------------------|--------------------------------|
| March 31, 2019 | | |
| INR - Borrowings | +100 | (167) |
| | -100 | 167 |
| March 31, 2018 | | |
| INR - Borrowings | +100 | (59) |
| | -100 | 59 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

b) Foreign currency risk

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

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

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

At March 31, 2019, 80% (March 31, 2018: Nil) of its foreign currency trade payables are hedged. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

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

| Currency exposure | Change in currency exchange rate | Effect on profit before tax |
|-----------------------|----------------------------------|-----------------------------|
| March 31, 2019 | | |
| USD | +5% | (14) |
| | -5% | 14 |
| March 31, 2018 | | |
| USD | +5% | (131) |
| | -5% | 131 |

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

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

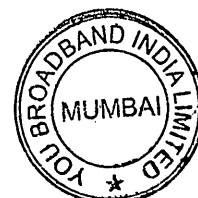
The Company provides its services to the Group Companies and trade receivable are generally on 15 to 30 day credit terms. The Company does not have credit risk.

- Other financial assets and cash deposits

Credit risk from balances with banks is managed by the Directors of the Company.

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

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2019 and March 31, 2018 on its carrying amounts as disclosed in notes 10, 12,13,14 and 15.



You Broadband India Limited

Separate Financial Statements for the year ended March 31, 2019

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

Notes to Separate Financials Statements

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 has necessary support from the holding company to maintain adequate liquidity 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 | Total payments |
|---------------------------------------|----------------|------------------|--------------|----------------|
| As at March 31, 2019 | | | | |
| Borrowings and Interest thereon* | 16,829 | 16,829 | - | 16,829 |
| Trade and other payables [#] | 8,364 | 8,346 | 18 | 8,364 |
| Other financial liabilities | 2,726 | 2,726 | - | 2,726 |
| | 27,919 | 27,901 | 18 | 27,919 |
| Derivative liabilities | 63 | 63 | - | 63 |
| Total | 27,982 | 27,964 | 18 | 27,982 |
| As at March 31, 2018 | | | | |
| Borrowings and Interest thereon* | 5,910 | 5,910 | - | 5,910 |
| Trade and other payables [#] | 14,549 | 14,549 | - | 14,549 |
| Other financial liabilities | 2,987 | 2,987 | - | 2,987 |
| Total | 23,446 | 23,446 | - | 23,446 |

*Interest accrued but not due of ₹ 92 lakhs (March 31, 2018: 8) has been excluded from other financial liabilities and included in borrowings and interest thereon.

#Payable for capex expenditure of ₹ 3,783 lakhs (March 31, 2018: ₹ 9,186 lakhs) has been excluded from other financial liabilities and included in trade and other payables.

Note 50

Previous 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



Vineet Kedia

Partner

Membership No.: 212230

Place: Mumbai
Date: May 6, 2019



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



Balesh Sharma
Director
(DIN: 07783637)



Dinesh Patwari
Chief Financial Officer



EVS Chakravarthy
Managing Director & CEO
(DIN: 00603085)



Lakshmisree Chakraborty
Company Secretary
(ACS: 16400)

Place: Mumbai
Date: 06-05-2019

