

INDEPENDENT AUDITOR'S REPORT

To The Members of Xtelify Limited (formerly known as Airtel Digital Limited) Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Xtelify Limited (formerly known as Airtel Digital Limited) (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as notified by the Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ("Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) ("Ind AS ") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors are responsible for the other information. The other information comprises the Board of Director's report including annexures, but does not include the financial statements, and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our



auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 except for the matter as stated in (i)(vi) below for reporting related to requirements of audit trail.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the current year, accordingly provisions of section 197 read with schedule V of the Act are not applicable to the Company.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 16 to the Financial Statements);and
- iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the Company has used various accounting and related softwares for maintaining its books of account for the year ended March 31, 2025, wherein the audit trail (edit log) feature was enabled throughout the year for accounting and related softwares used by the Company for maintaining its books of accounts, except for certain accounting and related softwares used by the



Company for maintaining its books of accounts for which audit trail (edit log) feature was enabled for part the year (Refer note 34 of the financial statements).

Further, during the course of our audit, we did not come across any instances of audit trail (edit log) feature being tampered with for aforesaid accounting and related softwares for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention for the period for which it was enabled.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Gautam Wadhwa

(Partner)

(Membership No. 508835)

(UDIN 25508835BMLBQF2111)

Place: Gurugram

Date: May 12, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Xtelify Limited (formerly known as Airtel Digital Limited) (the "Company") as at March 31, 2025 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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



unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Gautam Wadhwa

Gautam Wadhwa

(Partner)

(Membership No. 508835)

(UDIN 25508835BMLBQF2111)

Place: Gurugram

Date: May 12, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

- i. In respect of Company's Property, Plant and Equipment and Intangible Assets:
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of verification of property, plant and equipment and capital work-in-progress so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its property, plant and equipment and intangible assets.
 - (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. To the best of our knowledge and as explained to us, maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.



vii. In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all the cases during the year. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above as on March 31, 2025 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. In Millions)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	8	2017-18	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Custom Act	105	2019-21	Tribunal

The above-mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, includes total amount deposited in respect of Income Tax is Nil & Duty of Custom is INR 52 million.

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix. (a) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (b) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

- (c) To the best of our knowledge and belief and according to the information and explanations given to us, the management of the Company is of the view that the Company is able to generate sufficient funds from long term sources either through its operations or other means to meet the working capital requirements arising from the event of short- term sources falling due for payment. On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have been used during the year for long-term purposes by the Company.

- (d) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) & (f) of the Order is not applicable.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- (b) The Company has made preferential allotment of shares and private placement of optionally convertible debentures during the year. For such allotments, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and



the funds raised have been, applied by the Company during the year for the purposes for which the funds were raised.

- xi. (a) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with section 188 of the Companies Act, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. Provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Parent Group has more than one CIC as part of the Parent Group. There are 2 CIC forming part of Parent Group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



Deloitte Haskins & Sells LLP

- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Gautam Wadhwa
(Partner)
(Membership No. 508835)
(UDIN 25508835BMLBQF2111)

Place: Gurugram
Date: May 12, 2025

Xtelify Limited
(formerly known as Airtel Digital Limited)

Ind AS Financial Statements
March 31, 2025

Xtelify Limited (formerly known as Airtel Digital Limited)

Ind AS Financial Statements – March 31, 2025

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Ind AS Financial Statements

Xtelify Limited (formerly known as Airtel Digital Limited)
Balance Sheet
(All amounts are in millions of Indian Rupee)

	Notes	As of	
		March 31, 2025	March 31, 2024 # (Restated)
Assets			
Non-current assets			
Property, plant and equipment	5	3,096	677
Capital work-in-progress	5	6,283	122
Intangible assets	6	3,620	1,300
Intangible assets under development	6	1,678	249
Financial assets			
- Investments	8	39	39
Income tax assets		1,876	773
Deferred tax assets	7	428	74
Other non-current assets	9	7	0
		17,027	3,234
Current assets			
Financial assets			
- Investments	8	711	40
- Trade receivables	10	4,376	4,101
- Cash and cash equivalents	11	211	170
- Loans	12	-	4,770
- Other financial assets	13	3,493	3,145
Other current assets	9	2,831	133
		11,622	12,359
Total assets		28,649	15,593
Equity and liabilities			
Equity			
Equity share capital	14	2	2
Other equity		14,085	(101,806)
		14,087	(101,804)
Non-current liabilities			
Deferred revenue		284	70
Provisions	16	313	67
Other non-current liabilities	19	455	601
		1,052	738
Current liabilities			
Financial liabilities			
Trade payables	17		
-total outstanding dues of micro enterprises and small enterprises		31	30
-total outstanding dues of trade payables other than micro enterprises and small enterprises		8,575	6,090
Other financial liabilities	18	3,431	297
Deferred revenue		235	340
Provisions	16	323	118
Other current liabilities	19	915	109,784
		13,510	116,659
Total liabilities		14,562	117,397
Total equity and liabilities		28,649	15,593

Refer note 4 (a)

The accompanying notes 1 to 35 form an integral part of these Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Gautam Wadhwa

Gautam Wadhwa
Partner
 Membership No: 508835
 Place: Gurugram



Date: May 12, 2025

For and on behalf of the Board of Directors of Xtelify Limited
(formerly known as Airtel Digital Limited)

Soumen Ray

Soumen Ray
Director
 DIN: 09484511
 Place: Gurugram

Pradipt Kapoor

Pradipt Kapoor
Director
 DIN:10391981
 Place: Gurugram



Xtelify Limited (formerly known as Airtel Digital Limited)
Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended	
		March 31, 2025 #	March 31, 2024 # (Restated)
Income			
Revenue from operations	21	36,517	22,791
Other income	22	689	473
		37,206	23,264
Expenses			
Access charges		8,243	4,763
Content cost		3,102	4,224
Cost of sales		166	0
Employee benefits expense	23	4,492	1,460
Sales and marketing expenses	24	1,802	1,171
Other expenses	25	4,696	2,254
		22,501	13,872
Profit before depreciation, amortisation, finance costs and tax		14,705	9,392
Depreciation and amortisation expenses	26	4,997	752
Finance costs	27	7	12
Profit before tax		9,701	8,628
Tax expense			
Current tax	7	951	71
Deferred tax	7	(345)	(72)
		606	(1)
Profit for the period		9,095	8,629
Other Comprehensive Income			
Items not to be reclassified to profit or loss:			
- Re-measurement gain/(loss) on defined benefit plans		3	(7)
- Tax (charge)/credit		(1)	2
Other comprehensive income/(loss) for the period		2	(5)
Total comprehensive income for the period		9,097	8,624
Earning per share (Face value Rs. 10 each)			
Basic	29	51,971	49,592
Diluted	29	41,530	49,592

Refer note 4(a)

The accompanying notes 1 to 35 form an integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Gautam Wadhwa
Gautam Wadhwa
Partner
 Membership No: 508835
 Place: Gurugram



Date: May 12, 2025

For and on behalf of the Board of Directors of Xtelify Limited
(formerly known as Airtel Digital Limited)

Soumen Ray
Soumen Ray
Director
 DIN: 09484511
 Place: Gurugram

Pradipt Kapoor
Pradipt Kapoor
Director
 DIN: 10391981
 Place: Gurugram



Xtelify Limited (formerly known as Airtel Digital Limited)
Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; unless stated otherwise)

Particulars	Equity share capital		Other equity						Total equity
	No. of shares (in '000)	Amount	Optionally Convertible Debentures (‘OCDs’) classified as Equity	Reserves and Surplus			Common Control Reserve (CCR)	Total	
				Securities premium	Capital reserve	Retained earnings			
As of April 1, 2023 #	173	2	-	6,352	34	(2,942)	(113,874)	(110,430)	(110,428)
Profit for the year #	-	-	-	-	-	8,629	-	8,629	8,629
Transfer to CCR #	-	-	-	-	-	(6,072)	6,072	-	-
Other comprehensive loss (net of tax)	-	-	-	-	-	(5)	-	(5)	(5)
Total comprehensive income	-	-	-	-	-	2,552	6,072	8,624	8,624
As of March 31, 2024 #	173	2	-	6,352	34	(390)	(107,802)	(101,806)	(101,804)
Profit for the year #	-	-	-	-	-	9,095	-	9,095	9,095
Transfer to CCR #	-	-	-	-	-	(7,382)	7,382	-	-
Other comprehensive gain (net of tax)	-	-	-	-	-	2	-	2	2
Total comprehensive income	-	-	-	-	-	1,715	7,382	9,097	9,097
Shares issued during the year	22	0	-	4,655	-	-	-	4,655	4,655
OCDs issued during the year (net of transaction cost) #	-	-	102,255	-	-	-	-	102,255	102,255
Common Control transaction*	-	-	-	-	-	-	(116)	(116)	(116)
As of March 31, 2025	195	2	102,255	11,007	34	1,325	(100,536)	14,085	14,087

Refer note 4 (a)

* Refer note 4 (b)

The accompanying notes 1 to 35 form an integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Gautam Wadhwa

Gautam Wadhwa
Partner
 Membership No: 508835
 Place: Gurugram



For and on behalf of the Board of Directors of Xtelify Limited
(formerly known as Airtel Digital Limited)

Soumen Ray

Soumen Ray
Director
 DIN: 09484511
 Place: Gurugram

Pradipt Kapoor

Pradipt Kapoor
Director
 DIN: 10391981
 Place: Gurugram

Date: May 12, 2025



Xtelify Limited (formerly known as Airtel Digital Limited)
Statement of Cash Flows
(All amounts are in millions of Indian Rupee)


	For the year ended	
	March 31, 2025	March 31, 2024
Cash flows from operating activities		
Profit / (Loss) before tax	9,701	8,628
Less:- Profit pertaining to interest under common control (refer note 4 (a))	(7,382)	(6,072)
	2,319	2,556
Adjustments for :		
Depreciation and amortisation expenses	4,838	627
Finance costs	(17)	6
Interest income	(540)	(337)
Net loss /(gain) on FVTPL investments	(149)	(129)
Other non-cash items	338	183
Operating cash flow before changes in assets and liabilities	6,789	2,906
Changes in assets and liabilities		
Trade receivables	2	(1,849)
Trade payables	2,504	461
Provisions	297	(29)
Other financial and non financial liabilities	692	508
Other financial and non financial assets	(2,975)	(905)
Net cash from operations before tax	7,309	1,092
Income tax (paid)/refund (net)	(2,062)	270
Net cash from operating activities (a)	5,247	1,362
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(7,613)	(66)
Purchase of intangible assets and intangible assets under development	(6,977)	(874)
Sale / (Purchase) of investments (net)	(637)	596
Proceeds from sale of investment in subsidiary	-	0
Loans given	-	(4,970)
Loan received back during the year	4,770	200
Interest received	603	305
Net cash used in investing activities (b)	(9,854)	(4,809)
Cash flows from financing activities		
Proceeds from borrowings	4,071	-
Repayment of borrowings	(4,071)	-
Interest paid	(7)	-
Issue of share capital (including share premium)	4,655	-
Net cash from financing activities (c)	4,648	-
Net (decrease)/ increase in cash and cash equivalents during the year (a+b+c)	41	(3,447)
Cash and cash equivalents as at beginning of the year	170	3,617
Cash and cash equivalents as at end of the year (refer Note 11)	211	170

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

During the year, Company has accounted a common control transaction as required under Ind AS 103. Considering the transaction is of non-cash nature, the impact of the same has not been considered in above cash flow statement (refer note 4 (a))

The accompanying notes 1 to 35 form an integral part of these Financial Statements.


As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)


Gautam Wadhwa
Partner
 Membership No: 508835
 Place: Gurugram



For and on behalf of the Board of Directors of Xtelify Limited
(formerly known as Airtel Digital Limited)


Soumen Ray
Director
 DIN: 09484511
 Place: Gurugram


Pradipt Kapoor
Director
 DIN: 10391981
 Place: Gurugram



Date: May 12, 2025

Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

1. Corporate information

Xtelify Limited ('the Company') (CIN -U74140HR2015PLC096027), a public limited company domiciled and duly incorporated in India on January 13, 2015, under the provisions of the Companies Act, 2013 having registered office at Airtel Center, Plot No. 16, Udyog Vihar, Phase IV, Gurugram – 122015, India.

The main objective of the Company includes procurement, aggregation and provision of content services, platform usage, advertisement, Value Added Services (VAS) through Airtel IQ and sale of products to its customers.

With effect from March 05, 2024, the name of the Company was changed from Airtel Digital Limited to Xtelify Limited.

2. Summary of material accounting policies

2.1 Basis of preparation

These Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.

The Financial Statements are approved for issue by the Company's Board of Directors on May 12, 2025.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division II of Schedule III (as amended) to the Act. Further, for the purpose of clarity, various items are aggregated in the Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows. Nonetheless, these items are disaggregated separately in the notes to the Financial Statements, where applicable or required.

All the amounts included in the Financial Statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded off to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The preparation of the said Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said Financial Statements, except in case of adoption of any new standards and/or amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items.



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)
New amendments adopted during the year

a. Amendments to Ind AS

The Ministry of Corporate Affairs ('MCA'), vide notification no. G.S.R. 492(E) dated August 12, 2024, issued the Companies (Indian Accounting Standards) Amendment Rules, 2024, introducing a new accounting standard, Ind AS 117 relating to the accounting of Insurance Contracts and MCA through notification no. G.S.R. 554(E) dated September 9, 2024, issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, amending Ind AS 116 relating to the accounting for sale and leaseback transactions with variable lease payments. Both these amendments were applicable for annual periods beginning on or after April 1, 2024. The Company has reviewed both these pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Amendments to Ind AS issued but not yet effective

MCA has notified amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, vide the Companies (Indian Accounting Standards) Amendment Rules, 2025 through Notification No. G.S.R. 291(E) dated May 7, 2025. The amendment provide comprehensive guidance on assessing the exchangeability of currencies, determining spot exchange rates when currencies are not exchangeable, and enhancing related disclosures. The amendment is effective for annual reporting periods beginning on or after April 1, 2025. The Company will evaluate the impact of this amendment and implement the necessary changes in its financial reporting for periods commencing on or after the effective date.

2.2 Basis of measurement

The Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss (refer note 2.10) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, 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.



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Business combinations

The Company accounts for business combinations using the acquisition method of accounting. Accordingly, the identifiable assets acquired and the liabilities assumed of the business are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard). The consideration transferred for the acquisition of a business is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company in exchange for control of the business.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration transferred is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in Statement of Profit and Loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made retrospectively within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date or would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequent to initial recognition, it is measured at the higher of:

- (i) the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with Ind AS 115 'Revenue from Contracts with Customers'.



2.4 Common control transactions

Transactions arising from transfers of assets / liabilities, interest in entities or businesses between entities that are under the common control, are accounted at their carrying amounts. The difference, between any consideration paid / received and the aggregate carrying amounts of assets / liabilities and interests in entities acquired / disposed (other than impairment, if any), is recorded in capital reserve / common control reserve, as applicable.

2.5 Foreign currency transactions

a. Functional and presentation currency

The Financial Statements are presented in Indian Rupee which is the functional and presentation currency of the Company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity.

2.6 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all other assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognised from the Balance Sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work-in-progress ('CWIP'), advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed under other non- current assets.

The expenditures that are incurred after the item of PPE has been available for use, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the PPE carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The management basis its past experience and technical assessment has estimated the useful lives, which is at variance with the life prescribed in Part C of Schedule II to the Act and has accordingly, depreciated the assets over such useful lives.

The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvements	Period of lease or 10 years, whichever is less
Computer and Server	3 – 5
Furniture and fixtures and office equipments	2 – 5



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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are derecognised from the Balance Sheet and the resulting gains / (losses) are included in the Statement of Profit and Loss within other income / other expenses.

2.8 Intangible assets

Intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. The intangible assets that are acquired in a business combination are recognised at its fair value. Other intangible assets are initially recognised at cost. Those assets having finite useful life are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

Software

Software are amortised over the period of license, generally not exceeding five years.

The useful lives and amortisation method are reviewed and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted for prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development ('IAUD') includes the amount of software / IT platform under development.

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.



2.9 Impairment of non-financial assets

a. PPE, intangible assets and IAUD

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. IAUD is tested for impairment, at least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value in use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment losses are reversed in the Statement of Profit and Loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU previously.

2.10 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company measures all the non-derivative financial liabilities at amortised cost.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Financial instruments are classified as either financial liabilities or equity, based on the substance of the contractual arrangement. Financial liabilities are those instruments that contain a contractual obligation to



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Notes to Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

deliver cash or another financial asset, while equity instruments represent a residual interest in the assets of the Company and do not contain any such contractual obligation.

b. Measurement – Non derivative financial instruments

I. Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. All financial liabilities are recognised initially at fair value, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other transaction costs are expensed as incurred in the Statement of Profit and Loss.

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference between the transaction amount and the fair value (if any) is accounted for as follows:

- The difference is recognised as a gain or loss in the Statement of Profit and Loss only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets.
- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in other income.



Xtelify Limited (formerly known as Airtel Digital Limited)

Notes to Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

ii. Financial assets measured at Fair Value Through OCI ('FVTOCI')

Equity investments which are not held for trading and for which the Company has elected to present the change in the fair value in OCI and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken to OCI, except the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the Statement of Profit and Loss.

iii. Financial assets measured at FVTPL

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) income from financial assets at FVTPL is recognised in the Statement of Profit and Loss within other income separately from the other gains / losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the Expected Credit Losses ('ECL') associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant). For trade and other payables maturing within one year from the Balance Sheet date; the carrying amount approximate the fair value due to the short maturity of these instruments.

c. Derecognition

The financial assets are de-recognised from the Balance Sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The financial liabilities are de-recognised from the Balance Sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The resultant impact of derecognition is recognised in the Statement of Profit and Loss.

2.11 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or directly in equity, in which case the related income tax is also recognised accordingly.



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Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the Balance Sheet under assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the Financial Statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.



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Deferred tax assets and liabilities are off-set where there is a legally enforceable right to enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the Statement of Cash Flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of Cash and cash equivalents.

2.13 Equity share capital

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.14 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans and compensated absences. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in Statement of Profit and Loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the Balance Sheet, at the present value of the defined benefits obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit



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obligations is recognised in the Statement of Profit and Loss. However, the related re-measurements of the net defined benefit obligations are recognised directly in the OCI in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the Statement of Profit and Loss in any of the subsequent periods.

c. Other employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefits comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

2.15 Provisions

General

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 will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to unwinding of interest over passage of time is recognised within finance costs.

The Company is involved in various legal and taxation matters, and the matter are in legal course. Management, in consultation with legal, tax and other advisers, assesses the likelihood that a pending claim will succeed. The Company recognises a provision in cases where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations arising from such claims.

2.16 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent asset is not recognised and is disclosed only where an inflow of economic benefits are probable.



2.17 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties and discounts.

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation, pricing latitude and exposure to inventory risk associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

The main categories of revenue and the basis of recognition are as follows:

i) Service revenues

Service revenue mainly pertains to usage and subscription revenue from Airtel Xstream and Airtel Thanks application and related advertisement revenue. It also pertains to revenue from value-added services through Airtel IQ, platform usage charges, Internet of Things ('IoT') and digital assets.

a) Subscription revenue

The Company receives subscription revenue from its applications such as Airtel Xstream and such other digital properties. The Company recognizes subscription revenues over time because the customer simultaneously receives and consumes the benefits provided by the Company. The progress is measured using the output method which measures revenue by comparing 'time elapsed' to the 'total subscription period'.

b) Revenue from Value-added services through Airtel IQ and related services

Revenue from value-added services (VAS) provided by our proprietary platform Airtel IQ and other digital services. The revenue is recognized over time as the customer simultaneously received and consumes the benefits provided. The services provided based on number of instances are recognized based on delivery at agreed rates.

c) Platform usage charges and Digital Assets license usage

Revenue from lead generation via usage of digital platform and revenue from digital assets by offering the same as PAAS for usage are recognized over time as the customer simultaneously received and consumes the benefits provided.

d) Internet of Things ('IoT')

The Company provides IoT solution where revenue is recognized over time because the customer simultaneously receives and consumes the benefits provided by the Company.



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e) Others

Others include advertisement revenue and other service revenue which are recognized over time as the customer simultaneously receives and consumes the benefits provided by the Company.

ii) Sale of products

Sale of products consist revenue from sale of license/solution which is recognized at a point in time i.e, at the time of transfer of license/solution to the customers.

Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

iii) Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

2.18 Content cost

It represents the cost of content being procured from various content providers.

2.19 Access charges

It primarily consist of cost of services being provided through Airtel IQ.

2.20 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Key sources of estimation uncertainties and critical judgements

The estimates and judgements used in the preparation of the said Financial Statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



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Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Financial Statements in the period in which they become known.

3.1 Key sources of estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are discussed below:

a. Useful lives of PPE

As described at note 2.7 above, the Company reviews the estimated useful lives of PPE at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges. Refer note 2.7 and 5 for the estimated useful life and carrying value of PPE respectively.

b. Useful life of internally generated intangible assets

As described at note 2.8 above, the Company reviews the estimated useful lives of Internally generated intangible assets at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that Cost incurred towards development of internally generated intangible assets are expected to give future economic benefit over 3 years and thus amortised over this period. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives and therefore the depreciation charges.

c. Allowance for impairment of trade receivables

The ECL is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case to case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

3.2 Critical judgements in applying the Company's accounting policies

The critical judgements, which the management has made in the process of applying the Company's accounting policies and have the most significant impact on the amounts recognised in the said Financial Statements, are discussed below:



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Revenue recognition and presentation

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services. In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

4. Significant transactions / new developments

a) During the year ended March 31, 2025, the Company has acquired the Internet of Things (IoT) business undertaking under slump sale arrangement on going concern basis from Bharti Airtel Limited. The transfer meet the definition of business as per Ind AS 103 as it is comprising of all assets, liabilities, employees and customer relationships & contracts associated with IoT business undertaking. The transaction was completed on February 28, 2025 for a consideration of Rs. 102,260, settled through the issuance of 505,148 nos., 0.01% Optionally Convertible Debentures (OCDs) on private placement basis to Bharti Airtel Limited. As the OCDs are convertible at the Company's option and do not create any obligation, these are classified entirely as equity.

The Company accounted for the acquisition in accordance with the Appendix C of Ind AS 103 "Business Combinations" as a combination of business under common control. Accordingly, the respective assets and liabilities of the IoT business have been recognised at their carrying amounts as appearing in the financial statements of Bharti Airtel Limited on the date of closing of the said transaction on February 28, 2025. The difference between the purchase consideration and the carrying amount of net assets, as appearing in the financial statements of Bharti Airtel Limited is recognized as the common control reserve amounting to Rs. 100,420. Since it is a common control acquisition, the impact of the same has been taken from the beginning of previous period presented and financial statement has been restated accordingly.

The summarized financial information of the business acquired included in the restated financial statements is as follows:

	February 28, 2025	As of March 31, 2024	April 1, 2023
Assets			
Non-current assets	266	316	231
Current assets	1,889	1,342	609
Total assets	2,155	1,658	840
Equity and liabilities			
Equity			
Optionally convertible debentures	102,260	-	-
Common control reserve	(100,420)	(107,802)	(113,874)
Liabilities			
Non-current liabilities	127	70	28
Current liabilities	188	158	87
Payable to group company	-	109,232	114,599
Total equity and liabilities	2,155	1,658	840



Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)*

	For the period	For the year ended
	April 1, 2024 to	March 31, 2024
	February 28, 2025	
Statement of profit and loss		
Income	8,428	7,261
Expenses	887	1,064
Profit from operating activities	7,541	6,197
Depreciation and amortisation	159	125
Profit for the period	7,382	6,072

b) During the year ended March 31, 2025, the Company has purchased certain digital assets from Bharti Airtel Limited, parent company for Rs. 6,179 comprising of Hardware and Software's ('specified assets') having net carrying value of Rs. 6,063. Difference between sales consideration and carrying value has been recognized in common control reserve under Statement of Changes in Equity.

c) On January 30, 2025, the Company issued 1,754 equity shares to Bharti Airtel Services Limited on a private placement basis for a consideration of Rs. 355. Additionally, on March 21, 2025, the Company issued 20,000 equity shares to the existing shareholders (Bharti Airtel Limited and Bharti Airtel Services Limited) through a right issue for a consideration of Rs. 4,300.

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Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)***5. Property, plant and equipment ('PPE')**

The following table presents the reconciliation of changes in the carrying value of PPE and Capital Work In Progress ('CWIP') for the year ended March 31, 2025 and March 31, 2024:

	Computer equipments	Leasehold improvements	Office equipments	Furnitures and fixtures	Total	CWIP *
Gross Carrying Value						
As of April 1, 2023 ^	803	34	18	4	859	132
Additions ^	269	-	17	-	286	276
Disposals / adjustments	-	-	-	-	-	(286)
As at March 31, 2024	1,072	34	35	4	1,145	122
As of April 1, 2024	1,072	34	35	4	1,145	122
Additions ^	4,152	-	98	-	4,250	10,411
Disposals / adjustments	-	-	(1)	-	(1)	(4,250)
As at March 31, 2025	5,224	34	132	4	5,394	6,283
Accumulated Depreciation						
As of April 1, 2023 ^	219	9	10	2	240	-
Charge ^	219	3	5	1	228	-
Disposals / adjustments	-	-	-	-	-	-
As at March 31, 2024	438	12	15	3	468	-
As of April 1, 2024	438	12	15	3	468	-
Charge ^	1,809	3	18	1	1,831	-
Disposals / adjustments	-	-	(1)	-	(1)	-
As at March 31, 2025	2,247	15	32	4	2,298	-
Net carrying amount						
As of March 31, 2024	634	22	20	1	677	122
As of March 31, 2025	2,977	19	100	-	3,096	6,283

^ Refer note 4 (a)

* mainly pertains to computer equipments and office equipments.

CWIP ageing schedule**As of March 31, 2025**

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,278	4	1	-	6,283

As of March 31, 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	104	18	-	-	122



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
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6. Intangible Assets

The following table presents the reconciliation of changes in the carrying value of intangibles assets and Intangible Assets Under Development ('IAUD') for the year ended March 31, 2025 and March 31, 2024:

	Software		Non compete fee	Total	IAUD *
	Internally Generated	Purchased	Total		
Gross carrying value					
As of April 1, 2023 ^	1,555	78	1,633	95	362
Additions ^	962	26	988	-	875
Disposals / adjustments	-	-	-	-	(988)
As of March 31, 2024	2,517	104	2,621	95	249
As of April 1, 2024	2,517	104	2,621	95	249
Additions ^	810	4,676	5,486	-	6,915
Disposals / adjustments	-	-	-	-	(5,486)
As of March 31, 2025	3,327	4,780	8,107	95	1,678
Accumulated amortisation					
As of April 1, 2023 ^	743	54	797	95	-
Amortisation ^	495	29	524	-	-
Disposals / adjustments	-	-	-	-	-
As of March 31, 2024	1,238	83	1,321	95	-
As of April 1, 2024	1,238	83	1,321	95	-
Amortisation ^	906	2,260	3,166	-	-
Disposals / adjustments	-	-	-	-	-
As of March 31, 2025	2,144	2,343	4,487	95	-
Net carrying value					
As of March 31, 2024	1,279	21	1,300	-	249
As of March 31, 2025	1,183	2,437	3,620	-	1,678

^ Refer note 4 (a)

* Mainly pertains to softwares.

Intangible Assets under Development (IAUD) ageing schedule

As at March 31, 2025

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,678	-	-	-	1,678

As at March 31, 2024

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	249	-	-	-	249



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7. Income tax

The major components of income tax expense / (credit) are:

	For the year ended	
	March 31, 2025	March 31, 2024
Amount recognised in Statement of Profit and Loss		
Current tax		
- For the year	951	71
	951	71
Deferred tax		
- Origination and reversal of temporary differences	(345)	4
- Adjustments on account of initial recognition	-	(76)
	(345)	(72)
Income tax expense / (credit)	606	(1)
Amount recognised in OCI		
Deferred tax related to items charged to OCI during the year:		
- Tax credit on re-measurement of defined benefits plan	(1)	2
Deferred tax credited to OCI	(1)	2

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and income tax (credit)/expense is summarised below:

	For the year ended	
	March 31, 2025	March 31, 2024
Profit before tax	9,701	8,628
Less:- Profit on account of common control transaction (refer note 4 (a))	(7,382)	(6,072)
	2,319	2,556
Tax expense @ 25.168%	584	643
Effect of:		
Losses and deductible temporary difference against which no deferred tax asset recognised	-	(575)
(Income) / Expenses (net) not taxable / deductible	21	8
Adjustments on account of initial recognition	-	(76)
Others	1	(1)
Income tax expense/ (credit)	606	(1)

The analysis of deferred tax assets is as follows:-

	As of	
	March 31, 2025	March 31, 2024
Deferred tax assets		
Trade Receivables	99	90
Fair valuation of financial assets and unrealized exchange fluctuation	-	(10)
Provision for Employee benefits	156	46
Property, plant and equipment / intangible assets	173	(52)
Net deferred tax assets	428	74

	For the year ended	
	March 31, 2025	March 31, 2024
Deferred tax income		
Trade Receivables	(8)	(90)
Fair valuation of financial assets and unrealized exchange fluctuation	-	10
Provision for Employee benefits	(111)	(44)
Property, plant and equipment / intangible assets	(226)	52
Deferred tax income	(345)	(72)



Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)*

The movement in deferred tax assets during the year is as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Opening balance	74	-
Tax credit recognised in the Statement of Profit and Loss	345	72
Tax income recognised in OCI	(1)	2
Others	10	-
Closing balance	428	74

With respect to acquisition of IoT business undertaking (refer note 4(a)), the company has obtained independent registered valuer report for fair value allocation for the purpose of tax books. Accordingly, of the total consideration paid, an amount of Rs. 73,298 is allocated towards the identifiable assets (net of liabilities) and Rs. 28,962 towards goodwill. The company has evaluated the tax implications and has not recognised deferred assets (net) related to the acquisition of the IoT business undertaking in statutory books of accounts on a prudent basis.

There are no unrecognised losses as of March 31, 2025 and March 31, 2024.

8. Investments**Non-current**

	As of	
	March 31, 2025	March 31, 2024
Investments at FVTPL		
Equity instrument (unquoted)	39	39
	39	39
<i>Aggregate book value / market value of unquoted investments</i>	39	39

Current

	As of	
	March 31, 2025	March 31, 2024
Investments at FVTPL		
Mutual Fund (quoted)	711	40
	711	40

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Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

9. Other assets

Non - Current

	As of	
	March 31, 2025	March 31, 2024
Prepaid expenses	2	0
Others^	5	0
	7	0

Current

	As of	
	March 31, 2025	March 31, 2024
Taxes recoverable *	1,739	90
Advance given to supplier (net)*	741	12
Prepaid expenses	313	25
Others** (refer note 28)	38	6
	2,831	133

^ Includes capital advances

* Taxes recoverable primarily include Goods & Services Tax ('GST').

Advances to suppliers are disclosed net of allowance of Rs. 33 and Rs. 41 as of March 31, 2025 and March 31, 2024 respectively.

** It includes employee receivables which principally consist of advances given for business purpose.

10. Trade receivables

	As of	
	March 31, 2025	March 31, 2024 #
Trade receivables considered good - unsecured*	5,084	4,729
Less: Allowances for doubtful receivables	(708)	(628)
	4,376	4,101

Refer note 4 (a)

* Includes amount due from related parties (refer note 28).

Refer note 32(a) for credit risk.

The movement in allowances for doubtful receivables is as follows:

	For the year ended	
	March 31, 2025	March 31, 2024 #
Opening balance	628	473
Additions	112	155
Write off	(32)	-
Closing balance	708	628

Refer note 4 (a)



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Trade receivables ageing schedule:

As of March 31, 2025

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	2,060	2,510	156	34	102	222	5,084
Less: Allowance for doubtful receivables							(708)
Net trade receivables							4,376
Unbilled Revenue (refer note 13)	3,493	-	-	-	-	-	3,493

As of March 31, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	1,411	2,817	97	148	93	163	4,729
Less: Allowance for doubtful receivables							(628)
Net trade receivables							4,101
Unbilled Revenue (refer note 13)	2,427	-	-	-	-	-	2,427

11. Cash and cash equivalents ('C&CE')

	As of	
	March 31, 2025	March 31, 2024
Cheques on hand	-	4
Balances with banks		
- On current accounts	73	166
- Bank deposits with original maturity of 3 months or less	138	-
	211	170

12. Loans

	As of	
	March 31, 2025	March 31, 2024
Unsecured, considered good		
Current		
Loans to related parties (refer note 28) *	-	4,809
Less: Interest accrued (refer note 13)	-	(39)
	-	4,770

* The loan carried interest rate of 8% per annum for year ending March 31, 2025 and 8.8% per annum for the year ended March 31, 2024.



Xtelify Limited (formerly known as Airtel Digital Limited)
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13. Other financial assets

Current

	As of	
	March 31, 2025	March 31, 2024 #
Unbilled revenue* (refer note 21)	3,493	2,427
Interest accrued on loans	-	39
Recoverable from related party (refer note 28)	-	679
Others	0	0
	3,493	3,145

* Includes amount pertaining to related parties (refer note 28).

Refer note 4 (a)

14. Equity share capital

	As of	
	March 31, 2025	March 31, 2024
Authorised shares		
1,000,000 (March 31, 2024 - 190,000) equity shares of Rs. 10 each	10	2
Issued, subscribed and fully paid-up shares		
195,485 (March 31, 2024 - 173,731) equity shares of Rs. 10 each	2	2
	2	2

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As of			
	March 31, 2025		March 31, 2024	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	173,731	2	173,731	2
Issued during the year *	21,754	0	-	-
Outstanding at the end of the year	195,485	2	173,731	2

* Refer note 4 (c)

b. Terms / rights attached to equity shares

The Company has one class of equity shares having par value of Rs. 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. 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, in proportion to the number of equity shares held by the shareholders.



Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)***c. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company**

	As of			
	March 31, 2025		March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each fully paid up Bharti Airtel Limited (Parent Company) ^	193,531	99%	173,731	100.00%

^ including 6 shares held by nominee

d. Shareholding of Promoters

S No.	Promoter Name	As of					
		April 1, 2024		March 31, 2025			
		No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year	
1	Bharti Airtel Limited^	173,731	100%	193,531	99%	-1%	

S No.	Promoter Name	As of					
		April 1, 2023		March 31, 2024			
		No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year	
1	Bharti Airtel Limited^	173,731	100%	173,731	100%	-	

^ including 6 shares held by nominee

e. Optionally Convertible Debentures classified as Equity

During the year, the Company has issued 505,148 0.01% Optionally Convertible Debentures for a total consideration of Rs. 102,260 on a private placement basis to its parent company, Bharti Airtel Limited. As the OCDs are convertible at the Company's option and do not create any obligation, these are classified entirely as equity.

15. Reserves and surplus

- a) Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.
- b) Securities premium:** It is used to record premium on issue of equity shares. The same will be utilised in accordance with provisions of the Act.
- c) Capital reserve:** It pertains to capital reserve acquired pursuant to the scheme of arrangements accounted under pooling of interest method and excess of fair value of net assets acquired over consideration paid in a business combination. This reserve is not available for distribution as dividend.



Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)*

d) Common control reserve: The transaction arising out of transfer of investments between entities that are under common control are accounted at their carrying amounts. The difference between the consideration paid and the carrying amount is recorded in common control reserve. The common control reserve will be transferred to retained earnings when the underlying investment is sold to a third party (entity outside the scope of common control).

e) Optionally convertible debentures ('OCDs'): It represents debentures which are classified as equity.

16. Provisions**Non-current**

	As of	
	March 31, 2025	March 31, 2024
Gratuity	304	66
Other employee benefit plan	9	1
	313	67

Current

	As of	
	March 31, 2025	March 31, 2024
Gratuity	83	43
Other employee benefit plan	240	75
	323	118

Refer note 23 for movement of various employee benefits.

17. Trade payables

	As of	
	March 31, 2025	March 31, 2024 #
Dues to micro enterprises and small enterprises	31	30
Others*	8,575	6,090
	8,606	6,120

*It includes amount due to related parties (refer note 28).

Refer note 4(a)

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Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)***Micro, Small & Medium Enterprises Development Act, 2006 ('MSMED Act, 2006') disclosure**

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

Sr No	Particulars	For the year ended	
		March 31, 2025	March 31, 2024
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year *	160	31
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED ACT 2006.	-	-

* including Rs. 129 (March 31, 2024: Rs. 1) relating to equipment supply payable under other financial liabilities in note 18.

Trade payables ageing schedule**For the year ended March 31, 2025**

	Unbilled	Not due	Outstanding for following periods from due				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Due to micro and small enterprises (A)	-	31	-	-	-	-	31
(ii) Others (B)	6,289	-	2,278	0	0	8	8,575
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-	-
Total dues to micro and small enterprises (A+C)	-	31	-	-	-	-	31
Total others (B+D)	6,289	-	2,278	0	0	8	8,575

For the year ended March 31, 2024

	Unbilled	Not due	Outstanding for following periods from due				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Due to micro and small enterprises (A)	-	30	-	0	-	-	30
(ii) Others (B)	5,415	640	18	0	2	15	6,090
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-	-
Total dues to micro and small enterprises (A+C)	-	30	-	0	-	-	30
Total others (B+D)	5,415	640	18	0	2	15	6,090



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

18. Other financial liabilities

Current

	As of	
	March 31, 2025	March 31, 2024
Employee payables	279	97
Equipment supply payables	2,816	42
Others*	336	158
	3,431	297

* includes payable to a related party

19. Other liabilities

Non-current

	As of	
	March 31, 2025	March 31, 2024
Advance from customers	455	601
	455	601

Current

	As of	
	March 31, 2025	March 31, 2024
Taxes payable*	816	478
Advance from customers	91	70
Payable to group company@	-	109,232
Others	8	4
	915	109,784

*Taxes payable mainly includes Goods and Services Tax and TDS payable.

@ Refer note 4 (a)

20. Commitments

Capital Commitments

The Company has contractual commitments towards capital expenditure (net of related advance) of Rs. 1,117 and Rs. 172 as of March 31, 2025 and March 31, 2024 respectively.

21. Revenue from operations

Particulars	For the year ended	
	March 31, 2025 #	March 31, 2024 #
Service revenue	36,323	22,791
Sale of products	194	-
	36,517	22,791

Refer note 4 (a)



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

Disaggregation of Revenue

Revenue is disaggregated by major products / service lines and timing of revenue recognition is as follows:

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Major Product/ Services lines		
Subscription revenue	5,967	6,526
Sale of products	194	-
Platform usage charges	1,735	1,082
VAS through Airtel IQ & other related services	10,510	6,286
Internet of Things @	9,253	7,261
Digital assets	7,992	-
Others	866	1,636
	36,517	22,791
Timing of Revenue Recognition		
Products transferred at a point in time	194	-
Services transferred over time	36,323	22,791
	36,517	22,791

@ Refer note 4 (a)

Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers:

	As of	
	March 31, 2025	March 31, 2024
Unbilled Revenue (refer note 13)		
-current	3,493	2,427
Deferred Revenue		
-non current	284	70
-current	235	340

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended	
	March 31, 2025	
	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in deferred revenue at the beginning of the year	-	411
Increase due to cash received, excluding amounts recognised as revenue during the year	-	449
Transfers from unbilled revenue recognised at the beginning of the year to receivables	2,427	-



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

22. Other Income

	For the year ended	
	March 31, 2025	March 31, 2024
Interest income other	540	337
Net gain on FVTPL investments	34	129
Others ^	115	7
	689	473

^ includes liability written back of Rs.115 during the year ending March 31, 2025.

23. Employee benefits expense

Particulars	For the year ended	
	March 31, 2025 #	March 31, 2024 #
Salaries, wages and bonus	4,045	1,271
Defined benefit plan / other long term benefits	155	67
Contribution to provident and other funds	171	69
Staff welfare expenses	107	48
Others*	14	5
	4,492	1,460

*It mainly includes recruitments and training expenses.

Refer note 4 (a)

The details of defined benefits obligations are as follows:

Movement in Obligations

	For the year ended			
	March 31, 2025		March 31, 2024	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	109	75	78	59
Current service cost	98	69	33	26
Interest cost	8	5	6	4
Benefits paid	(44)	(30)	(21)	(15)
Transfers	219	147	6	3
Remeasurements	(3)	(26)	7	(2)
Present value of obligation	387	240	109	75
Current portion	83	240	43	75
Non-current portion	304	-	66	-

As of March 31, 2025, expected contributions for the next annual reporting period is Rs. 129.

Amount recognised in Other Comprehensive Income :

	For the year ended	
	March 31, 2025	March 31, 2024
Experience (gain)/ loss	(13)	5
Loss from change in demographic assumptions	10	2
(Gain) / Loss from change in financial assumptions	(0)	0
Remeasurement loss on defined benefit plans	(3)	7



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
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Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2025	March 31, 2024
Discount Rate	7.12%	7.11%
Rate of salary increase	7.00%	7.00%
Rate of attrition	16% to 24%	40% to 50%
Retirement age	58	58

Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

	Change in assumption	As of	
		March 31, 2025 Gratuity	March 31, 2024 Gratuity
Discount Rate	+1%	(13)	(2)
	-1%	14	2
Salary Growth Rate	+1%	14	2
	-1%	(13)	(2)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

The table below summarises the maturity profile and duration of the Company's gratuity liability:

	As of	
	March 31, 2025 #	March 31, 2024 #
Within one year	83	43
Within one - three years	123	45
Within three - five years	74	15
Above five years	106	7
	386	110
Weighted average duration (in years)	4.14	1.83

24. Sales and marketing expenses

	For the year ended	
	March 31, 2025 #	March 31, 2024 #
Advertisement and marketing	1,462	688
Other selling and distribution expenses	297	433
Business promotion	43	50
	1,802	1,171

Refer note 4 (a)

25. Other Expenses

Particulars	For the year ended	
	March 31, 2025 #	March 31, 2024 #
Software and IT expenses	3,466	1,509
Repair and maintenance	211	86
Rent expenses	345	169
Customer care expenses	192	100
Collection & Recovery Charges	126	101
Provision for doubtful receivables	80	155
Installation charges	58	9
Bad debts written off	32	-
Travelling and conveyance	31	17
Legal and professional fees	8	18
Telephone and postage	1	1
Rate and taxes	2	3
Payment made to statutory auditors^	2	2
Charity and donation	18	-
Other expenses [§]	124	84
	4,696	2,254

Refer note 4 (a)

^Details of Auditor's remuneration (excluding GST):

	For the year ended	
	March 31, 2025	March 31, 2024
Audit fee	2	2
Reimbursement of expenses	0	0
	2	2



Xtelify Limited (formerly known as Airtel Digital Limited)**Notes to Financial Statements***(All amounts are in millions of Indian Rupee; unless stated otherwise)****Additional information pertaining to Corporate Social Responsibility (CSR)**

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
(i) amount required to be spent by the company during the year	Rs.17	Nil
(ii) amount of expenditure incurred		
(a) on construction/acquisition of any asset	-	-
(b) on purpose other than (a) above	Rs. 18	-
(iii) shortfall at the end of the year	Nil	Nil
(iv) total of previous years shortfall	Nil	
(v) nature of CSR activities	The Company's CSR activities focus on promoting education for the underprivileged with special emphasis on girl child, livelihood enhancement education programs, eradicating hunger, promoting preventive health care and sanitation.	
(vi) details of related party transactions	Contributed Rs. 18 to Bharti Airtel Foundation	Nil

‡ It includes political contributions amounting to Rs. 41 through an Electoral Trust made under Section 182 of the Act during the year ended March 31, 2025.

26. Depreciation and amortisation expenses

Particulars	For the year ended	
	March 31, 2025 #	March 31, 2024 #
Depreciation (refer note 5)	1,831	228
Amortisation (refer note 6)	3,166	524
	4,997	752

Refer note 4(a)

27. Finance costs

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Finance charges	26	10
Net foreign exchange loss	(19)	2
	7	12

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Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

28. Related Party Transactions

The details of transactions with the related parties are as follows:

(a) The name of the related parties where control exists and / or with whom transaction have taken place during the year and description of relationship are:

List of Related Parties	Relationship
Bharti Airtel Limited	Parent company
Bharti Enterprises (Holding) Private Limited	Ultimate controlling entity
Airtel Limited	Fellow Subsidiary
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Airtel Services Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Beetel Teletech Limited	Fellow Subsidiary
Indus Towers Limited (w.e.f November 18, 2024)	Fellow Subsidiary
Bharti Airtel (France) SAS	Fellow Subsidiary
Airtel (Seychelles) Limited	Fellow Subsidiary
Airtel Networks Limited	Fellow Subsidiary
Airtel Tchad S.A.	Fellow Subsidiary
Airtel Congo (RDC) S.A.	Fellow Subsidiary
Airtel Networks Kenya Limited	Fellow Subsidiary
Airtel Networks Zambia Plc	Fellow Subsidiary
Airtel Tanzania Limited	Fellow Subsidiary
Airtel Uganda Limited	Fellow Subsidiary
Airtel Madagascar S.A.	Fellow Subsidiary
Celtel Niger S.A.	Fellow Subsidiary
HCIL Comtel Private Limited	Associate of Parent company
Airtel Payments Bank Limited (w.e.f March 11, 2025)	Other related party
Airtel Payments Bank Limited (till March 10, 2025)	Associate of Parent company
Bharti Airtel Foundation (formerly known as Bharti Foundation)*	Other related party
Bharti Land Ltd*	Other related party
Del Monte Foods Private Limited (till February 6, 2025)*	Other related party
Jersey Airtel Limited (till October 31, 2024)*	Other related party
Hike Private Limited*	Other related party
Bharti Management Services Limited *	Other related party

Key management personnel ('KMP')

Adarsh Nair, Director (Till February 8, 2024)
Ajeeta kahale, Director (Till November 15, 2024)
Pankaj Tewari, Director
Nidhi Lauria, Additional Director (w.e.f November 15, 2024)
Soumen Ray, Director (w.e.f February 8, 2024)
Pradipt Kapoor, Director (w.e.f February 8, 2024)

* 'Other related party' though not 'Related Parties' as per the definition under Ind AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance.



Xtelify Limited (formerly known as Airtel Digital Limited)

Notes to Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

(b) Summary of transactions with the above-mentioned parties:-

	For the year ended							
	March 31, 2025			March 31, 2024				
	Parent	Fellow subsidiary	Entities where Parent exercises significant influence	Other related parties	Parent	Fellow subsidiary	Entities where Parent exercises significant influence	Other related parties
Rendering of services*	15,831	2,190	439	49	8,034	529	66	21
Receiving of services*	10,269	538	-	-	5,364	162	112	1
Purchase of assets	7,336	6,446	-	-	-	85	-	-
Issue of share capital	4,257	398	-	-	-	0	-	-
Issue of OCDs	102,260	-	-	-	-	-	-	-
Purchase of business	102,260	-	-	-	-	-	-	-
Employee settlement	648	0	-	-	28	0	0	-
Expenses incurred by the Company on behalf of Related Party	6,220	215	-	-	5,363	303	-	-
Expenses incurred by Related Party on behalf of Company	3,523	31	57	-	1,047	14	-	-
Loans given	-	-	-	-	-	4,970	-	-
Receipt back of Loans given	-	4,770	-	-	-	200	-	-
Interest income on Loan	-	92	-	-	-	320	-	-
Receipt of Interest	-	131	-	-	-	280	-	-
Loan taken	4,071	-	-	-	-	-	-	-
Interest expense on Loan	21	-	-	-	-	-	-	-
Repayment of Loan taken	4,071	-	-	-	-	-	-	-

* Transactions are inclusive of taxes.

The remuneration paid to all key management personnel of the Company is borne by its Parent company (Bharti Airtel Limited) and cross charged as part of a single composite consideration. Accordingly, the same is not reported under related party transactions.



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

(c) The significant related party transactions are summarized below:-

	For the year ended	
	March 31, 2025	March 31, 2024
(i) Rendering of services *		
Parent Company		
Bharti Airtel Limited	15,831	8,034
Fellow subsidiary		
Bharti Hexacom Limited	1,138	403
Bharti Telemedia Limited	524	126
Indus Towers Limited	37	-
Airtel Networks Limited	242	-
Entity where Parent exercises significant influence		
Fellow Associates		
Airtel Payments Bank Limited	435	66
(ii) Receiving of services *		
Parent Company		
Bharti Airtel Limited	10,269	5,364
Fellow subsidiary		
Beetel Teletech Limited	19	-
Bharti Telemedia Limited	15	112
Bharti Airtel Services Limited	156	39
Nxtra Limited	342	11
Entity where Parent exercises significant influence		
Fellow Associates		
Airtel Payments Bank Limited	-	112
(iii) Purchase of fixed assets		
Parent Company		
Bharti Airtel Limited	7,336	-
Fellow subsidiary		
Bharti Airtel Services Limited	520	85
Beetel Teletech Limited	5,926	-
(iv) Employee settlement		
Parent Company		
Bharti Airtel Limited	648	28
(v) Expenses incurred by the Company on behalf of Related Party		
Parent Company		
Bharti Airtel Limited	6,220	5,363
Fellow subsidiary		
Bharti Hexacom Limited	170	269
Bharti Telemedia Limited	44	34
(vi) Expenses incurred by Related Party on behalf of Company		
Parent Company		
Bharti Airtel Limited	3,523	1,047
(vii) Loans Given		
Fellow subsidiary		
Bharti Airtel Services Limited	-	4,970
(viii) Receipt back of Loans Given		
Fellow subsidiary		
Bharti Airtel Services Limited	4,770	200
(ix) Interest income on loan		
Fellow subsidiary		
Bharti Airtel Services Limited	92	320
(x) Receipt of Interest		
Fellow subsidiary		
Bharti Airtel Services Limited	131	280



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
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	For the year ended	
	March 31, 2025	March 31, 2024
(xi) Loan taken		
Parent Company		
Bharti Airtel Limited	4,071	-
(xii) Interest expense on loan		
Parent Company		
Bharti Airtel Limited	21	-
(xiii) Repayment of loan taken		
Parent Company		
Bharti Airtel Limited	4,071	-
(xiv) Issue of share capital		
Parent Company		
Bharti Airtel Limited	4,257	-
Fellow subsidiary		
Bharti Airtel Services Limited	398	-
(xv) Issue of OCDs		
Parent Company		
Bharti Airtel Limited	102,260	-
(xvi) Purchase of business		
Parent Company		
Bharti Airtel Limited	102,260	-

* Transactions are inclusive of taxes.

All the services are provided to related parties based on arm's length pricing.

(d) The outstanding balances are as follows:

	Parent	Fellow subsidiary	Entities where Parent exercises significant influence	Other related parties
As of March 31, 2025				
Trade receivables and other financial assets	1,133	563	49	13
Trade payables and other financial liabilities	(2,342)	(779)	-	-
As on March 31, 2024				
Trade receivables and other financial assets	2,317	185	57	4
Loans given	-	4,770	-	-
Trade payables and other financial liabilities	(1,366)	(40)	(14)	(0)
Other non-financial assets	-	3	-	0
Other non-financial liabilities	(12)	(0)	-	-

Outstanding balance at year - end is unsecured and settlement occurs in cash.



Xtelify Limited (formerly known as Airtel Digital Limited)
Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

29. Earnings per share ('EPS')

The details used in the computation of basic and diluted EPS:

	For the year ended	
	March 31, 2025	March 31, 2024
Profit / (Loss) attributable to equity shareholders as per Statement of Profit and Loss (A)	9,095	8,629
Weighted average number of equity shares ('000) for calculation of basic earnings per share (B)	175	174
Weighted average number of equity shares ('000) for calculation of diluted earnings per share (C)	219	174
Equity shares of face value Rs. 10 per share		
1) Basic (A/B)	51,971	49,592
2) Diluted (A/C)	41,530	49,592

30. Segment Reporting

The financial information, which is reported to the Chief Operating Decision Maker ('CODM'), does not result into identification of different ways/sources into which CODM see the performance of the Company and does resource allocation. Accordingly, the Company has a single reportable and geographical segment. Hence, the relevant disclosures as per Ind AS 108, "Operating Segments" are not applicable to the Company.

The Company is operating only in India. Thus, no disclosure concerning geographical areas is applicable to the Company.

31. Financial and capital risk

The business activities of the Company expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks (i.e, price risk and foreign exchange risk). The Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with the operating entities' internal / external experts subject to necessary supervision. The CSM is accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance framework, policies and procedures. The senior management / Board of Directors of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The key financial risks include credit risk, liquidity risk and foreign currency risk and they are summarised below:

(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party and as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.



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The Company is exposed to credit risk mainly with respect to trade receivables.

Trade receivables

The trade receivables of the Company are typically non-interest bearing un-secured and primarily derived from sales made to the Parent company and fellow subsidiaries. The credit period provided by the Company to its customers (other than Group entities), generally ranges between 14-30 days.

The Company's major revenue is generated from the Parent company and fellow subsidiaries. For details of trade receivables / revenue from related parties, refer note 28. Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due from due dates, except receivables from related parties.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2025	2,060	1,421	895	-	-	4,376
Trade Receivables as of March 31, 2024	1,411	1,436	746	500	8	4,101

The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

Cash and cash equivalents are placed with reputed financial banks / institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entity's liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities.

The Company does not have any borrowings as at March 31, 2025 and March 31, 2024.



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Based on past performance and current expectations, the Company believes that the cash and cash equivalents, cash generated from operations and available undrawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

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

As of March 31, 2025							
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables	8,606	-	8,606	-	-	-	8,606
Other financial liabilities	3,431	-	3,431	-	-	-	3,431
	12,037	-	12,037	-	-	-	12,037

As of March 31, 2024							
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables*	6,120	-	6,120	-	-	-	6,120
Other financial liabilities	297	-	297	-	-	-	297
	8,947	-	6,417	-	-	-	6,417

* read with note 4 (a)

Reconciliation of liabilities whose net cash flow movements are disclosed as part of financing activities of Statement of Cash Flows:

For the year ended March 31, 2025

	April 1, 2024	Cash flows	Non-cash changes	March 31, 2025
Borrowings	-	-	-	-

For the year ended March 31, 2024

	April 1, 2023	Cash flows	Non-cash changes	March 31, 2024
Borrowings	-	-	-	-

(c) Price risk

The Company invests its surplus funds in various mutual funds and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies. The Company has exposure across mutual fund and money market instruments.

Due to the very short tenure of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk.



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(All amounts are in millions of Indian Rupee; unless stated otherwise)
(d) Foreign currency risk

The foreign exchange risk of the Company arises from the generation of revenue and expenses incurred in foreign currencies.

Foreign currency exposure

The Company's exposure to foreign currency exchange risk at the end of the reporting period expressed in INR, are as follows:-

Particulars	As of March 31, 2025		
	US Dollar	Euro	Others
Trade and other receivables	274	1	3
Trade and other payables	(943)	-	-
Net assets / (liabilities)	(669)	1	3

Particulars	As of March 31, 2024		
	US Dollar	Euro	Others
Trade and other receivables	-	1	3
Trade and other payables	(721)	-	-
Net assets / (liabilities)	(721)	1	3

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's loss before tax to a reasonably possible change in the exchange rates against the functional currency of the Company, with all other variables held constant.

	Change in currency exchange rate	Effect on Profit / loss before tax	
		March 31, 2025	March 31, 2024
US Dollar	+5%	(33)	(36)
	-5%	33	36

The sensitivity disclosed in the above table is mainly attributable to foreign exchange gains / (losses) on translation of trade payables and trade receivables as at the reporting date.

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.



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(e) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity, uphold investor, creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company does not have any borrowings hence, capital gearing ratio is not applicable.

(f) Disclosure of non-cash transactions

**For the year ended
March 31, 2025 March 31, 2024**

Transfer of IoT business from Bharti Airtel Limited (parent) against issuance of optionally convertible debentures by the Company (refer note 4(a)).

102,260

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32. Fair value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

		As of			
Level	Carrying Value		Fair Value		
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Financial Assets					
FVTPL					
Investments - quoted	Level 1	711	40	711	40
Investments - unquoted	Level 2	39	39	39	39
Amortised cost					
Trade receivables		4,376	4,101	4,376	4,101
Cash & cash equivalents		211	170	211	170
Loans		-	4,770	-	4,770
Other financial assets		3,493	3,145	3,493	3,145
		8,830	12,265	8,830	12,265
Financial Liabilities					
Amortised cost					
Trade payables		8,606	6,120	8,606	6,120
Other financial liabilities		3,431	297	3,431	297
		12,037	6,417	12,037	6,417



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The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments or where impact of discounting considered not to be material.
- The fair value of unquoted investments is estimated by discounting future cash flows using discount rates applicable to the instruments with similar terms and on the basis of recent arm's length transaction in the entity by a third party.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2025 and March 31, 2024:

Financial assets / liabilities	Inputs used
Investments	Prevailing interest rates in market, future cashflows and on the basis of recent arm's length transaction in the entity by a third party.

During the year ended March 31, 2025 and March 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

33. Ratios

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024 ^	% Variance	Reason for variance
Current Ratio - [no. of times]	Current Assets	Current Liabilities	0.86	0.11	712%	Increase in current ratio is due to reduction in payable to Group company recognised on account of common control transaction in previous year.
Debt-equity Ratio - [no. of times]*	Non-Current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	N.A	N.A	N.A	
Debt service coverage ratio - [no. of times]	Profit before depreciation, amortisation, finance costs, exceptional items and tax.	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	558	4	(14888%)	Increase is due to increase in profits with no debt balance.
Return on equity ratio - [no. of times]	Net Profit (PAT)	Average Equity attributable to owners of the parent	(0.21)	(0.18)	18%	
Trade receivables turnover ratio - [no. of days]	Average trade receivables	Revenue from operations / no of days for the period	42	41	4%	
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital (i.e Current Assets - Current Liabilities)	(19.34)	(0.22)	8752%	Decrease is due to significant increase in working capital.
Net profit ratio (%)	Profit / (Loss) for the year	Revenue from operations	24.91%	37.86%	(34%)	Decrease is due to increase in employee benefit expense as a percentage of revenue.
Return on capital employed (%)	Profit before finance costs and tax (EBIT)	Average Capital Employed#	(21.9%)	(17.5%)	25%	
Return on investment (%)	Income generated from investments at FVTPL	Time weighted average investment at FVTPL	8.31%	163.29%	(95%)	Mutual funds invested at year end

* excluding lease liabilities

Average Capital Employed= Average of (Equity + Net Debt – Current Investments)

^Refer note 4(a)



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34. Audit Trail

The Company had assessed all of its IT applications including supporting applications considering the guidance provided in "Implementation guide on reporting on audit trail under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" and identified applications that are relevant for maintaining books of accounts. In the previous Financial Year, the Company had enabled audit trail feature in certain critical applications including the ERP application which maintain the general ledger for financial reporting purpose, accordingly the audit trail feature for these critical applications is active through-out the current financial year. For the remaining applications the audit trail feature was enabled in a phased manner during the current financial year. Audit trail feature has been enabled for all relevant IT applications at the end of the current financial year. The audit trail feature has operated effectively during the year post implementation and there were no instances of audit trail feature being tampered with where it is implemented. For the retention of the data, the same is and will be retained for the respective period of 8 years from the date of such audit trail implementation.

35. Relationship with struck off companies

Relationship with struck off Company	Nature of transactions	Name of the Struck off Company	Balance outstanding as of March 31, 2025	Balance outstanding as of March 31, 2024
Customer	Receivable	Kalpnik Technologies Pvt Ltd	-	-

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