Airtel Limited

Ind AS Financial Statements

For the year ended March 31, 2026

Airtel Limited

Ind AS Financial Statements – March 31, 2026

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Independent Auditor's Report

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of Airtel Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Airtel Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive loss), the Statement of Cash Flows and the Statement of Changes in Equity 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 prescribed under section 133 of the Act 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, 2026, its loss and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("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 is 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.

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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 Board of Directors 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 loss, cash flows and changes in equity 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is 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 Company's internal financial controls.

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- 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.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

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f) 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.

g) 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 year, accordingly, provisions of Section 197 read with Schedule V of the Act are not applicable to the company.

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

   i. The Company 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.

   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. (Refer note 22 of the Financial Statements)

   (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. (Refer note 22 of the Financial Statements)

   (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.

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vi. Based on our examination, which included test checks, the Company has used accounting and related softwares for maintaining its books of account for the year ended March 31, 2026, wherein the audit trail (edit log) feature was enabled through-out the year for accounting and related softwares used by the Company for maintaining its books of accounts. (Refer note 23 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 and operated.

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 Wadhera

Deloitte Haskins & Sells LLP
Chartered Accountants

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Gautam Wadhera
Partner
(Membership No. 508835)
(UDIN: 26508835HZHTNH6742)

Place: Gurugram
Date: May 11, 2026

Deloitte
Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) 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 Airtel Limited (the "Company") as at March 31, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("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

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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, 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, 2026, based on the criteria for internal financial controls 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 Wadhera

Deloitte Haskins & Sells LLP Chartered Accountants

Gautam Wadhera
Partner
(Membership No. 508835)
(UDIN: 26508835HZHTNH6742)

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Place: Gurugram
Date: May 11, 2026

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. As the Company does not hold any property, plant and equipment, capital work-in-progress, right-of-use assets and intangible assets, reporting under clause 3(i) of the Order is not applicable.

ii. (a) The company does not have any inventory and hence reporting under clause 3(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 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. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loans, given any guarantees or advances in the nature of loans during the year.

v. According to the information and explanations given to us, 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. Having regard to the nature of the Company's business/ activities, reporting under clause(vi) of the Order is not applicable.

vii. In respect of statutory dues:

(a) Undisputed statutory dues, including Income-tax and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2026.

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.

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ix. (a) According to the information and explanations given to us, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) 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.

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

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

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.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with the 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. The Company is a unlisted wholly owned subsidiary of a public company, hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

xiv. In our opinion, the Company was not required to have an internal audit system under section 138 of the Companies Act 2013. Hence reporting under clause 3(xiv) of the Order is not applicable.

Deloitte Haskins & Sells LLP Chartered Accountants

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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.

(b) 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 incurred cash losses amounting to Rs. 11,972 thousand during the financial year covered by our audit and Rs. 12,487 thousand in 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.

xx. The Company has incurred losses in the immediately preceding three financial years and it is not required to spend any amount on Corporate Social Responsibility (CSR) activities under Section 135 of the Act during the current financial year. Accordingly, the provisions of Clause 3(xx) of the Order are not applicable to the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gautam Wadhera

Deloitte Haskins & Sells LLP Chartered Accountants

MK

Gautam Wadhera
Partner
(Membership No. 508835)
(UDIN: 26508835HZHTNH6742)

Place: Gurugram
Date: May 11, 2026

Ind AS Financial Statements

Airtel Limited
Balance Sheet
(All amounts are in thousands of Indian Rupee)

	Notes	As of March 31, 2026	As of March 31, 2025
Assets			
Financial assets			
Cash and cash equivalents	5	154,237	11,958
Investments	6	17,588,750	17,638,831
Other financial assets	7	10	10
		17,742,997	**17,650,799**
Non-financial assets			
Income tax recoverable		1,567	86,655
		1,567	**86,655**
		17,744,564	**17,737,454**
Liabilities and equity			
Liabilities			
Financial liabilities			
Debt securities	8	294,976	276,154
Other financial Liabilities	9	387	127
		295,363	**276,281**
Equity			
Equity share capital	10	100	100
Other equity	11	17,449,101	17,461,073
		17,449,201	**17,461,173**
Total liabilities and equity		**17,744,564**	**17,737,454**

The accompanying notes 1 to 23 form an integral part of the Financial Statements.

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

Gautam Wadhera

Gautam Wadhera
Partner
Membership No. 508835
Place : Gurugram

Date : May 11, 2026

For and on behalf of the Board of Directors of
Airtel Limited

Soumen Ray
Director
DIN - 09484511
Place : Gurugram

Rohit Krishan Puri
Director
DIN - 00332078
Place : New Delhi

Deloitte Haskins & Sells LLP
Chartered Accountants
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AIRTEL LIMITED

Airtel Limited
Statement of Profit and Loss
(All amounts are in thousands of Indian Rupee; except per share data)

	Notes	For the year ended March 31, 2026	March 31, 2025
Income			
Net gain on Fair Value Changes	12	3,910	824
Other income	13	4,827	5,777
Total Income		**8,737**	**6,601**
Expenses			
Finance costs	14	18,825	18,560
Other expenses	15	1,884	444
Total Expenses		**20,709**	**19,004**
Loss before tax		**(11,972)**	**(12,403)**
Tax expense			
Current Tax		-	-
Deferred Tax		-	-
		-	-
Loss for the year		**(11,972)**	**(12,403)**
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		**(11,972)**	**(12,403)**
Loss per equity share (in Rs.)	18		
Face Value of Rs. 10 each			
Basic		(1,197.2)	(1,240.3)
Diluted		(1,197.2)	(1,240.3)

The accompanying notes 1 to 23 form an integral part of the Financial Statements.

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

Gautam Wadhera

Gautam Wadhera
Partner
Membership No. 508835
Place : Gurugram

Date : May 11, 2026

For and on behalf of the Board of Directors of
Airtel Limited

Soumen Ray
Director
DIN - 09484511
Place : Gurugram

Rohit Krishan Puri
Director
DIN - 00332078
Place : New Delhi

Deloitte Haskins & Sells LLP
Chartered Accountants

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AIRTEL LIMITED

Airtel Limited
Statement of Changes in Equity
(All amounts are in thousands of Indian Rupee; unless stated otherwise)

Particulars	Equity share capital		Other equity				Total equity
			Reserve and surplus		Equity Component of Optionally Convertible Debentures	Total	
	No. of shares (in '000)	Amount	Retained earnings	Common Control reserve			
As of April 1, 2024	10	100	(490)	(144,075,465)	144,313,516	237,561	237,661
Loss for the year	-	-	(12,403)	-	-	(12,403)	(12,403)
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive Loss	-	-	(12,893)	-	-	225,158	225,258
Common Control Transaction(refer note 4(a))	-	-	-	(69,413,389)	86,649,304	17,235,915	17,235,915
As of March 31, 2025	**10**	**100**	**(12,893)**	**(213,488,854)**	**230,962,820**	**17,461,073**	**17,461,173**
As of April 1, 2025	**10**	**100**	**(12,893)**	**(213,488,854)**	**230,962,820**	**17,461,073**	**17,461,173**
Loss for the year	-	-	(11,972)	-	-	(11,972)	(11,972)
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive Loss	-	-	(24,865)	-	-	17,449,101	17,449,201
As of March 31, 2026	**10**	**100**	**(24,865)**	**(213,488,854)**	**230,962,820**	**17,449,101**	**17,449,201**

The accompanying notes 1 to 23 form an integral part of the Financial Statements.

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

Gautam Wadhera

Gautam Wadhera
Partner
Membership No. 508835
Place : Gurugram

Date : May 11, 2026

For and on behalf of the Board of Directors of
Airtel Limited

Soumen Ray
Director
DIN - 09484511
Place : Gurugram

Rohit Krishan Puri
Director
DIN - 00332078
Place : New Delhi

Deloitte Haskins & Sells LLP
Chartered Accountants

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AIRTEL LIMITED

Airtel Limited
Statement of Cash Flows
(All amounts are in thousands of Indian Rupee; unless stated otherwise)

	For the year ended	
	March 31, 2026	March 31, 2025
Cash flow from operating activities:		
Loss before tax	(11,972)	(12,403)
Adjustments for:		
Interest on Debt Securities	18,822	18,511
Interest on Borowings	-	49
Interest on Income tax refund	(4,680)	(5,777)
Net gain on Fair Value Changes	(3,910)	(740)
Operating cash flow before changes in assets and liabilities	**(1,740)**	**(360)**
Adjustment for Changes in assets and liabilities :		
Other financial and non-financial liabilities	260	(66)
Cash used in operations before tax	(1,480)	(426)
Income taxes refund	89,768	63,546
Net cash generated in operating activities (A)	**88,288**	**63,120**
Cash flow from investing activities:		
Investment in Mutual Funds	(98,994)	(199,990)
Proceeds from sale of Mutual Funds	152,985	150,650
Net cash generated/(used) in investing activities (B)	**53,991**	**(49,340)**
Cash flow from financing activities:		
(Repayment) of short term borrowings (Net)	-	(420)
Interest and other finance charges paid	-	(76)
Stamp duty paid on issue of OCD	-	(4,337)
Net cash (used) from financing activities (C)	**-**	**(4,833)**
Net increase in cash & cash equivalents during the year(A+B+C)	**142,279**	**8,947**
Cash and cash equivalents at beginning of year	11,958	3,011
Cash and cash equivalents at the end of the year(Refer Note 5)	**154,237**	**11,958**

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

Refer note 20(1)(iv), for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows

Refer note 20(1)(v), for non-cash investing and financing transactions that are excluded from Statement of Cash Flows.

The accompanying notes 1 to 23 form an integral part of the Financial Statements.

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

Gautam Wadhera

Gautam Wadhera
Partner
Membership No. 508835
Place : Gurugram

Date : May 11, 2026

For and on behalf of the Board of Directors of Airtel Limited

Soumen Ray
Director
DIN - 09484511
Place : Gurugram

Rohit Krishan Puri
Director
DIN - 00332078
Place : New Delhi

Deloitte Haskins & Sells LLP
Chartered Accountants

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AIRTEL LIMITED

1. Corporate Information

Airtel Limited ('the Company') (CIN: U64200HR2021PLC093754) is domiciled and incorporated in India as a public limited company. The Company has been incorporated to promote, establish and fund companies engaged in providing mobile / telecom services, running and maintaining data systems, and other companies engaged in ancillary activities. The registered office of the Company is situated at Airtel Centre, Plot no. 16, Udyog Vihar, Phase – IV, Gurugram – 122015, Haryana, India. The Company is an unregistered Core Investment Company in terms of Reserve Bank of India (Core Investment Companies) Directions, 2025.

2. Summary of material accounting policies

2.1 Basis of preparation

These financial statements ('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 11, 2026.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial statements' and Division III of Schedule III (as amended) of 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.

The Company has incurred losses during the previous and current financial years. However, as at the reporting date, the Company has adequate liquid resources to meet its operating requirements and financial obligations as and when they fall due, and there is no material uncertainty in this regard. Accordingly, the financial statements have been prepared on a going concern basis.

All the amounts included in the Financial Statements are reported in thousands of Indian Rupee ('Rupee' or 'Rs.') and are rounded off to the nearest thousands, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'. Previous year figures have been reclassified and regrouped wherever necessary.

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

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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 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.

In accordance with Ind AS 110 "Consolidated Financial Statements", the Company has elected not to prepare Consolidated Financial Statements as the Company is a wholly owned subsidiary of Bharti Airtel Limited, which prepares the Consolidated Financial Statements and can be obtained at Airtel Center, Plot no. 16, Udyog Vihar, Phase – IV, Gurugram – 122015, Haryana, India.

Amendments to Ind AS

New amendments adopted during the year

In May 2025, Ministry of Corporate Affairs ("MCA") notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities. In the context of classifying a liability as current, it removes the earlier requirement of an unconditional right to defer settlement for at least twelve months and now requires that such a right exists at the reporting date and has substance. The amendment also introduced a new guidance on classification of liabilities with covenants. This amendment has no impact on these financial statements.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires the disclosures about supplier finance arrangements, including the nature of arrangements, carrying amounts of liabilities, and payment due date ranges. Ind AS 107 has been updated to include supplier finance arrangements as a factor in evaluating liquidity risk concentration. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a mandatory temporary relief from deferred tax accounting for top-up taxes under the OECD Pillar Two rules. Companies availing this relief must disclose its application and provide new disclosures. The Company will evaluate the new disclosure requirement relating to annual financial statements, as appropriate and disclose accordingly.

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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 ('FVTPL') or fair value through other comprehensive income ('FVTOCI') (refer note 2.4(b)) - 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.

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 Common Control Transaction

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.

2.4 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.

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The Company recognises its investment in subsidiaries, associates and joint ventures at cost less any impairment losses. The said investments are tested for impairment whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value in use).

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at FVTPL, 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 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 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.

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- 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:

a. 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.

b. Financial assets at Fair Value Through Profit or Loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and dividend 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.

c. Financial assets 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.

d. Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in

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credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss (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

Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant), except for contingent consideration and financial liability under option arrangements recognised in a business combination which is subsequently measured at FVTPL. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured. Interest related to the financial liability is recognised in profit or loss under finance cost. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised. The original equity component remains as equity (which may be transferred from one-line item within equity to another) upon conversion or maturity.

e. 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.

2.5 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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AIRTEL LIMITED

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 year is 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.

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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.

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.

2.6 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.

2.7 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.

2.8 Provisions

a. 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

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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.

2.9 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.

2.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Gain on fair value changes

Gain or loss on financial assets that is subsequently measured at fair value thought profit and loss (FVTPL) is recognised through profit and loss.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, which is generally when the shareholders approve the dividend.

Other Income

Other income is recognised at transaction price as per agreed terms of contracts.

2.11 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All other borrowing costs are recognised in the Statement of Profit and Loss within finance costs in the period in which they are incurred.

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2.12 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit for the period 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.

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 year 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) Impairment reviews

The Company conducts impairment reviews of investments in subsidiaries / associates whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which based on future cash flows, after taking into account past experience management's best estimate about future developments. The inputs to these models are taken from observable markets where

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possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Taxes

Deferred tax assets are recognised for the unused tax losses credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

4. Significant transactions / new developments

a) During the year ended March 31, 2025, the Company has acquired its 69.94% equity stake in Airtel Payments Bank Limited, an associate of the Company from Bharti Airtel Limited, parent of the Company, against a consideration of Rs. 86,653,640. Company has discharged the consideration through issuance of 0.01% optionally convertible debentures ('OCDs') on private placement basis to Bharti Airtel Limited for a term of 10 years. The OCDs are redeemable or convertible into equity shares of the Company at any time prior to maturity at the option of issuer for a fixed conversion ratio of 1:1. Interest is accrued on annual basis (compounded) and is payable at the time of redemption. No interest is payable if the issuer chooses to convert these OCDs into equity shares. These OCDs are classified as 'equity' and are accounted as equity component of optionally convertible debenture as part of other equity.

The transaction was recorded as a common control transaction and accordingly, the difference between consideration paid and the carrying value of investment, amounting to Rs. 69,413,389 has been recognised in common control reserve.

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

5. Cash and cash equivalents

	As of March 31, 2026	As of March 31, 2025
Balance with bank		
- On current accounts	1,090	11,958
- Bank deposits with original maturity of 3 months or less	153,147	-
	154,237	**11,958**

6. Investments

	As of March 31, 2026 Designated at FVTPL	As of March 31, 2026 Others (at cost)	As of March 31, 2026 Total
Equity Shares			-
Subsidiaries - Unquoted			
Nxtra Data Limited : 9,017,857 Equity Shares of Rs 10 each (March 31, 2025: 9,017,857 Equity Shares of Rs 10 each)	-	348,499	**348,499**
Associates - Unquoted			
Airtel Payments Banks Limited : 1,724,025,128 Equity Shares of Rs 10 each (March 31, 2025: 1,724,025,128 Equity Shares of Rs 10 each)	-	17,240,251	**17,240,251**
Total - Gross	-	**17,588,750**	**17,588,750**
Investments outside India	-	-	-
Investments in India	-	17,588,750	**17,588,750**
Total - Gross (A)	-	**17,588,750**	**17,588,750**
Less: Allowance for impairment loss (B)	-	-	-
Total - Net (A)-(B)	-	**17,588,750**	**17,588,750**

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

	As of March 31, 2025		
	Designated at FVTPL	Others (at cost)	Total
Mutual Funds			
Axis Liquid Growth Fund : 17,511 units of Face vale Rs. 1000 each (March 31, 2024 : Nil)	50,081	-	**50,081**
Equity Shares			
Subsidiaries - Unquoted			
Nxtra Data Limited : 9,017,857 Equity Shares of Rs 10 each (March 31, 2024: 9,017,857 Equity Shares of Rs 10 each)	-	348,499	**348,499**
Associates - Unquoted			
Airtel Payments Banks Limited : 1,724,025,128 Equity Shares of Rs 10 each (March 31, 2024: Nil)	-	17,240,251	**17,240,251**
Total - Gross	**50,081**	**17,588,750**	**17,638,831**
Investments outside India	-	-	-
Investments in India	50,081	17,588,750	**17,638,831**
Total - Gross (A)	**50,081**	**17,588,750**	**17,638,831**
Less: Allowance for impairment loss (B)	-	-	-
Total - Net (A)-(B)	**50,081**	**17,588,750**	**17,638,831**

Details of significant investment in subsidiaries and associates are as below: -

S.No	Name of the Subsidiary	Place of incorporation and Principal place of business	Principal activities	As of March 31, 2026	As of March 31, 2025
				% of equity shareholding	
1	Nxtra Data Limited	India	Data Centre and managed service	75.96	75.96

S.No	Name of the associate	Place of incorporation and Principal place of business	Principal activities	As of March 31, 2026	As of March 31, 2025
				% of equity shareholding	
1	Airtel Payments Bank Limited	India	Mobile commerce services	69.94	69.94

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

7. Other financial assets

	As of	
	March 31, 2026	**March 31, 2025**
Security deposits *	10	10
	10	**10**

*Deposit given to National Securities Depository Limited ('NSDL')

8. Debt securities

	As of			
	March 31, 2026		**March 31, 2025**	
	At amortised cost	**Total**	**At amortised cost**	**Total**
Unsecured				
Liability component of 0.035% Optionally Convertible Debentures ('OCD')	294,976	294,976	276,154	276,154
Total	**294,976**	**294,976**	**276,154**	**276,154**
Debt Securities in India	294,976	294,976	276,154	276,154
Debt Securities outside India	-	-	-	-
Total	**294,976**	**294,976**	**276,154**	**276,154**

Debt securities pertain to liability component of unsecured non-marketable optionally convertible debentures of Rs 10 each having coupon rate of 0.035% for a term of 10 years having maturity date of 19 & 20 March 2034.

9. Other financial liabilities

	As of	
	March 31, 2026	**March 31, 2025**
Audit fees payable	387	127
	387	**127**

10. Equity share capital

	As of	
	March 31, 2026	**March 31, 2025**
Authorised shares		
10,000 (March 31, 2025 : 10,000) equity shares of Rs. 10 each	100	100
Issued, Subscribed and fully paid-up shares		
10,000 (March 31, 2025 : 10,000) equity shares of Rs. 10 each	100	100
	100	100

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

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

	For the year ended			
	March 31, 2026		March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	10,000	100	10,000	100
Add: Issue of share capital during the year	-	-	-	-
Outstanding at the end of the year	**10,000**	**100**	**10,000**	**100**

b) Rights, preferences and restrictions attached to shares

The Company has only 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 holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

c) Terms of conversion / redemption of OCDs

During the year ended March 31, 2025, the Company has issued 8,665,364,059 0.01% unsecured, optionally convertible debentures of Rs 10 each for a total consideration of Rs. 86,653,640 on private placement basis to Bharti Airtel Limited for a term of 10 years (Refer Note 19). As per terms, redemption and conversion can happen prior to maturity at the option of issuer with a fixed conversion ratio of 1:1.

d) Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

	As of			
	March 31, 2026		March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
Bharti Airtel Limited	9,500	95%	9,500	95%

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

e) Shareholding of promoters

Share held by promoters as of March 31, 2026:

		As of				
		31-Mar-26		1-Apr-25		% Change during the period
S No.	**Promoter Name**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**	
1	Bharti Airtel Limited	9,500	95.00	9,500	95.00	-

Share held by promoters as of March 31, 2025:

		As of				
		31-Mar-25		1-Apr-24		% Change during the period
S No.	**Promoter Name**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**	
1	Bharti Airtel Limited	9,500	95.00	9,500	95.00	-

11. Other Equity

(i) Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company and any transfer from general reserve.

(ii) 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 (distributable reserve) when the underlying investment is sold to a third party (entity outside the scope of common control).

(ii) Equity Component of optionally convertible debentures: The equity component of compound financial instruments is the residual amount after deducting the fair value of the financial liability component from the net proceeds of OCDs.

12. Net gain on fair value changes

	For the year ended	
	March 31, 2026	**March 31, 2025**
Gain on Financial Intruments classified as FVTPL		
Investment in Mutual Funds	3,910	824
Total	**3,910**	**824**
Fair Value Changes		
Realised	3,910	740
Unrealised	-	84
Total	**3,910**	**824**

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

13. Other Income

	For the year ended	
	March 31, 2026	March 31, 2025
Interest on income tax refund	4,680	5,777
Interest on FD	147	-
Total	**4,827**	**5,777**

14. Finance Costs

	For the year ended	
	March 31, 2026	March 31, 2025
Interest on OCD's measured at amortised cost	18,822	18,511
Interest on Borrowings measured at amortised cost	-	49
Other Finance cost	3	-
Total	**18,825**	**18,560**

15. Other expenses

	For the year ended	
	March 31, 2026	March 31, 2025
Audit fees*	387	127
Rates and Taxes	5	10
Legal and professional fees	1,492	307
Total	**1,884**	**444**

* Details of Auditor's remuneration

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Audit fees (including GST)	322	119
Reimbursement of expenses	65	8
Total	**387**	**127**

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

16. Maturity Analysis

	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I. Assets						
Financial assets						
Cash and cash equivalents	154,237	-	154,237	11,958	-	11,958
Investments	-	17,588,750	17,588,750	-	17,638,831	17,638,831
Other financial assets	-	10	10	-	10	10
Total Financial Assets	**154,237**	**17,588,760**	**17,742,997**	**11,958**	**17,638,841**	**17,650,799**
Non - Financial assets						
Income tax recoverable	-	1,567	1,567	-	86,655	86,655
Total Non-Financial Assets	**-**	**1,567**	**1,567**	**-**	**86,655**	**86,655**
Total Assets	**154,237**	**17,590,327**	**17,744,564**	**11,958**	**17,725,496**	**17,737,454**
I. Liabilities						
Financial Liabilities						
Debt securities	-	294,976	294,976	-	276,154	276,154
Other financial Liabilities	387	-	387	127	-	127
Total Financial Liabilities	**387**	**294,976**	**295,363**	**127**	**276,154**	**276,281**
Total Liabilities	**387**	**294,976**	**295,363**	**127**	**276,154**	**276,281**

17. Contingent liabilities and capital commitments

There are no contingent liabilities and capital commitments in the current year as well as in the previous year.

18. Earnings per share

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

	For the year ended	
	March 31,2026	March 31,2025
Loss attributable to equity shareholders as per Statement of Profit and Loss (A)	(11,972)	(12,403)
Weighted average number of equity shares ('000) for calculation of basic earnings per share (B)	10	10
Weighted average number of equity shares ('000) for calculation of diluted earnings per share (C)	10	10
Equity shares of face value Rs. 10 per share		
1) Basic (A/B)	(1,197.2)	(1,240.3)
2) Diluted (A/C)	(1,197.2)	(1,240.3)

For the year ended March 31, 2026 and year ended March 31, 2025 debt securities and OCD were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

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19. Related Party disclosures

List of Related Parties

Parent company
Bharti Airtel Limited (w.e.f March 22, 2024)

Ultimate Controlling entity
Bharti Enterprises (Holdings) Private Limited. It is held by private trusts and members of Bharti family, with Mr. Sunil Bharti Mittal's family trust controlling the said company

Subsidiary Company
Nxtra Data Limited (w.e.f March 22, 2024)

Associate Company
Airtel Payments Bank Limited (w.e.f March 19, 2025)

The summary of transactions with the above mentioned parties are as follows:

	For the year ended	
	March 31, 2026	**March 31, 2025**
Loan Taken		
Bharti Airtel Limited	-	300
Issuance of OCD		
Bharti Airtel Limited	-	86,653,640
Repayment of Loan Taken		
Bharti Airtel Limited	-	720
Purchase of investment in Associate Company		
Bharti Airtel Limited	-	17,240,251
Interest Charged		
Bharti Airtel Limited (loan)	-	49
Bharti Airtel Limited (OCD)	18,822	18,511

Outstanding Balances of above mentioned related parties are as follows

	As of	
	March 31, 2026	**March 31, 2025**
Bharti Airtel Limited (OCDs)*	231,232,028	231,232,028

* Debt component of compound financial instruments Rs. 294,976 as on March 31, 2026 (Rs. 276,154 as on March 31, 2025)

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20. Financial and Capital risk

1. Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks i.e. Interest rate risk and liquidity 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 through regular reviews by Company's senior management (CSM), in close co-ordination with the operating entities' internal/external experts subject to necessary supervision.

(i) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, related cash inflows are not affected by changes in market interest rates.

The Company's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure and during the year ended March 31, 2026 the Company does not have any short term borrowings outstanding. Accordingly, the components of the debt portfolio are determined by the CSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts as considered appropriate and whenever necessary.

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit / (loss) before tax is given in the table below:

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	Increase / decrease (basis points)	Effect on loss before tax
For the year ended March 31,2026		
INR- borrowings	+100	-
	-100	-
For the year ended March 31,2025		
INR- borrowings	+100	-
	-100	-

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings.

The above sensitivity analysis is based on a reasonably possible change in the underlying interest rate of the Company's borrowings in INR (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant as at the reporting date.

Based on the movements in the interest 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.

(ii) Price risk

The Company invests its surplus funds in liquid schemes mutual funds. 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.

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

(iii) 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, so that there is no breach of borrowings limits or relevant covenants on any of its borrowings.

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

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

expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligation.

	As of March 31, 2026						
	Carrying amount	**On demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Debt Securities	294,976	-	-	-	-	294,976	294,976
Other financial Liabilites	387	-	387	-	-	-	387
	295,363	**-**	**387**	**-**	**-**	**294,976**	**295,363**

	As of March 31, 2025						
	Carrying amount	**On demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Debt Securities	276,154	-	-	-	-	276,154	276,154
Other financial Liabilites	127	-	127	-	-	-	127
	276,281	**-**	**127**	**-**	**-**	**276,154**	**276,281**

(iv) 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, 2026

				Non-cash changes	
Balance sheet caption	**Statement of cash inflows line item**	**April 1, 2025**	**Cash flows**	**Interest expense**	**March 31, 2026**
Debt Securities	Interest on Debt Securities	276,154	-	18,822	294,976

For the year ended March 31, 2025

				Non-cash changes	
	Statement of cash inflows line item	**April 1, 2024**	**Cash flows**	**Interest expense**	**March 31, 2025**
Borrowings	(Repayment) of short term borrowings (Net)	420	(420)	-	-
Debt Securities	Proceeds from issue of optionally convertible debentures	257,643	-	18,511	276,154

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

(v) Disclosure of non-cash transactions

	For the year ended	
	March 31, 2026	March 31, 2025
Issue of OCD against investment in Airtel Payments Bank Limited transferred by Bharti Airtel Limited (Holding Company)	-	86,653,640
Interest expense on liability component of 0.035% OCD	18,822	18,511
Total	**18,822**	**86,672,151**

2. 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, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, 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 monitors capital using a gearing ratio, calculated as below:

	As of	
	March 31, 2026	March 31, 2025
Debt Securities	294,976	276,154
Borrowings	-	-
Less: Cash and cash equivalents	(154,237)	(11,958)
Less: Investment in mutual Funds	-	(50,081)
Net Debt (A)	**140,739**	**214,115**
Equity	17,449,201	17,461,173
Total capital (B)	**17,449,201**	**17,461,173**
Capital and Net Debt (A+B)	**17,589,940**	**17,675,288**
Gearing Ratio (A/(A+B))	**1%**	**1%**

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

21. 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:

	Level	Carrying Value		Fair Value	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Financial Assets					
FVTPL					
Investment in Mutual Funds	Level 1	-	50,081	-	50,081
Amortised Cost					
Cash & cash equivalents		154,237	11,958	154,237	11,958
Other financial assets		10	10	10	10
		154,247	**62,049**	**154,247**	**62,049**
Financial Liabilities					
Amortised cost					
Debt Securities	Level 2	294,976	276,154	294,976	276,154
Other financial liabilities		387	127	387	127
		295,363	**276,281**	**295,363**	**276,281**

(Column headings "Carrying Value" and "Fair Value" appear under "As of".)

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

i. Fair value of mutual funds is based on net asset value(NAV) at the reporting date.

ii. The carrying value of cash and cash equivalents, borrowings, other financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating rates.

iii. The fair value of long-term debt securities is estimated by discounting future cash flows using current rate applicable to instruments with similar terms, currency, credit risk and remaining maturities.

22. During the period ended March 31, 2026, no funds have been advanced / loaned / invested by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding that the Intermediary shall (i) 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 (ii) provide any guarantee, security on behalf of the Ultimate Beneficiaries.

During the period ended March 31, 2026, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding that the Company shall (i) 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 (ii) provide any guarantee, security on behalf of the Ultimate Beneficiaries.

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23. Audit Trail

The Company has used various accounting and related softwares for maintaining its books of account, wherein the audit trail (edit log) feature was enabled and operating throughout the year and there were no instances of audit trail feature being tampered with for the aforesaid accounting and related softwares. Additionally, the audit trail records have been preserved as per the statutory requirements for record retention in respect of above accounting and related softwares.

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