Xtelify Limited
(formerly known as Airtel Digital Limited)

Ind AS Financial Statements
March 31, 2026

Xtelify Limited (formerly known as Airtel Digital Limited)

Ind AS Financial Statements – March 31, 2026

Contents

Independent Auditor's Report

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Xtelify Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit, other 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. 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, 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.

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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 such 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 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 the 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, 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 remuneration during the current 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, as disclosed in Note 35 to the financial statements, 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, as disclosed in Note 35 to the financial statements, 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.

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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, 2026, 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. (Refer note 36 to the financial statements).

Further, during the course of our audit we did not come across any instance 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

Gautam Wadhera
(Partner)
(Membership No. 508835)
UDIN: 26508835ILICCL2274

Place: Gurugram
Date: May 13, 2026

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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 Xtelify Limited (the "Company") as at March 31, 2026 in conjunction with our audit of the Ind AS 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.

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 Companies Act, 2013, 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.

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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, 2026, 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)

Deloitte Haskins & Sells LLP Chartered Accountants MM

Gautam Wadhera

Gautam Wadhera
(Partner)
(Membership No. 508835)
UDIN:26508835ILICCL2274

Place: Gurugram
Date: May 13, 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. 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 three 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, no such assets were due for verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(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, 2026 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 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 3(ii)(b) of the Order is not applicable.

iii. The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

Amount in Rs. Million

	Loan Amounts
A. Aggregate amount granted/ provided during the year:	
- Others	10.00 *
B. Balance outstanding as at balance sheet date	
- Others	Nil *

*On demand loan settled during the year.
The Company has not provided any advance in nature of loans to any other entity during the year.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature

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of loans and guarantees provided, during the year are, in our opinion, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) The Company has granted loans payable on demand. As such, at year end, there are no loans either repayable on demand or without specifying any terms or period of repayment during the year.

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 loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(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. 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, 2026 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, 2026 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)
Income Tax Act, 1961	Income Tax	22	2021-22	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 Rs. 52 million.

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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) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(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 unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) 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, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.

(e) 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. Further, the Company has issued equity shares on rights basis to its existing shareholders.

(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 3(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 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, where applicable, 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 Mach 31, 2026.

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.

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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 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one CIC as part of the group. There are 2 CIC forming part of the 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.

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)

Deloitte Haskins & Sells LLP
Chartered Accountants

Gautam Wadhera

Gautam Wadhera
(Partner)
(Membership No. 508835)
UDIN:26508835ILICCL2274

Place: Gurugram
Date: May 13, 2026

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

	Notes	As of March 31, 2026	As of March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	5	7,590	3,096
Capital work-in-progress	5	998	6,283
Intangible assets	6	4,143	3,620
Intangible assets under development	6	458	1,678
Financial assets			
- Investments	8	0	39
Income tax assets (net)		150	1,876
Deferred tax assets (net)	7	678	428
Other non-current assets	9	622	7
		14,639	**17,027**
Current assets			
Financial assets			
- Investments	8	11,100	711
- Trade receivables	10	6,253	4,376
- Cash and cash equivalents	11	903	211
- Other financial assets	12	5,861	3,493
Contract assets		393	-
Other current assets	9	1,347	2,831
		25,857	**11,622**
Total assets		**40,496**	**28,649**
Equity and liabilities			
Equity			
Equity share capital	13	2	2
Other equity		25,145	14,085
		25,147	**14,087**
Non-current liabilities			
Deferred revenue		228	284
Provisions	15	431	313
Other non-current liabilities	18	394	455
		1,053	**1,052**
Current liabilities			
Financial liabilities			
Trade payables	16		
-total outstanding dues of micro enterprises and small enterprises		28	31
-total outstanding dues of trade payables other than micro enterprises and small enterprises		8,574	8,575
Other financial liabilities	17	2,350	3,431
Deferred revenue		470	235
Provisions	15	419	323
Other current liabilities	18	908	915
Current tax liabilities (net)		1,547	-
		14,296	**13,510**
Total liabilities		**15,349**	**14,562**
Total equity and liabilities		**40,496**	**28,649**

The accompanying notes 1 to 36 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 Wadhera
Partner
Membership No: 508835
Place: Gurugram

Date: May 13, 2026

Deloitte Haskins & Sells LLP Chartered Accountants

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

Xtelify Limited

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, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	20	46,470	36,517
Other income	21	321	689
		46,791	**37,206**
Expenses			
Access charges		10,377	8,243
Content cost		1,937	3,102
Cost of sales		1,585	166
Employee benefits expense	22	5,222	4,492
Sales and marketing expenses	23	1,992	1,802
Other expenses	24	6,469	4,696
		27,582	**22,501**
Profit before depreciation, amortisation, finance costs and tax		**19,209**	**14,705**
Depreciation and amortisation expenses	25	6,163	4,997
Finance costs	26	80	7
Profit before exceptional items and tax		**12,966**	**9,701**
Exceptional Items (net)	27	147	-
Profit before tax		**12,819**	**9,701**
Tax expense			
Current tax	7	3,525	951
Deferred tax	7	(254)	(345)
		3,271	606
Profit for the year		**9,548**	**9,095**
Other Comprehensive Income			
Items not to be reclassified to profit or loss:			
- Re-measurement gain on defined benefit plans		16	3
-Tax (charge)		(4)	(1)
Other comprehensive income for the year		**12**	**2**
Total comprehensive income for the year		**9,560**	**9,097**
Earning per share (Face value Rs. 10 each)			
Basic	29	47,360	51,971
Diluted	29	13,510	41,530

The accompanying notes 1 to 36 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 Wadhera
Partner
Membership No: 508835
Place: Gurugram

Date: May 13, 2026

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

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	Retained earnings	Capital reserve			
As of April 1, 2024	173	2	-	6,352	(390)	34	(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
Common Control transaction*	-	-	-	-	-	-	(116)	(116)	(116)
OCDs issued during the year (net of transaction cost) #	-	-	102,255	-	-	-	-	102,255	102,255
As of March 31, 2025	195	2	102,255	11,007	1,325	34	(100,536)	14,085	14,087
Profit for the year	-	-	-	-	9,548	-	-	9,548	9,548
Other comprehensive gain (net of tax)	-	-	-	-	12	-	-	12	12
Total comprehensive income	-	-	-	-	**9,560**	-	-	**9,560**	**9,560**
Shares issued during the year	7	0	-	1,500	-	-	-	1,500	1,500
As of March 31, 2026	202	2	102,255	12,507	10,885	34	(100,536)	25,145	25,147

* Refer note 4 (d)

\# Refer note 4 (c)

The accompanying notes 1 to 36 form an integral part of these Financial Statements.

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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, 2026	March 31, 2025
Cash flows from operating activities		
Profit before tax	**12,819**	**9,701**
Less:- Profit pertaining to interest under common control (refer note 4 (c))	-	(7,382)
	12,819	**2,319**
Adjustments for :		
Depreciation and amortisation expenses	6,163	4,838
Finance costs (including unrealised foreign exchange fluctuation)	91	(17)
Interest income	(113)	(540)
Net (gain) on FVTPL investments	(201)	(149)
Other non-cash items	646	338
Operating cash flow before changes in assets and liabilities	**19,405**	**6,789**
Changes in assets and liabilities		
Trade receivables	(978)	2
Trade payables	(4)	2,504
Provisions	(148)	297
Other financial and non financial liabilities	62	692
Other financial and non financial assets	(1,894)	(2,975)
Net cash from operations before tax	**16,443**	**7,309**
Income tax (paid) (net)	(1,402)	(2,062)
Net cash from operating activities (a)	**15,041**	**5,247**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(3,416)	(7,613)
Purchase of intangible assets and intangible assets under development	(2,287)	(6,977)
Purchase of investments (net)	(10,188)	(637)
Investment in subsidiary	(175)	-
Proceeds from sale of investment in subsidiary	175	-
Loan received back during the year	10	4,770
Interest received	60	603
Loan given during the year	(10)	-
Net cash used in investing activities (b)	**(15,831)**	**(9,854)**
Cash flows from financing activities		
Proceeds from borrowings	-	4,071
Repayment of borrowings	-	(4,071)
Interest paid	(18)	(7)
Issue of share capital (including share premium)	1,500	4,655
Net cash from financing activities (c)	**1,482**	**4,648**
Net increase in cash and cash equivalents during the year (a+b+c)	**692**	**41**
Cash and cash equivalents as at beginning of the year	211	170
Cash and cash equivalents as at end of the year (refer Note 11)	**903**	**211**

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 ended March 31, 2025, 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 (c))

The accompanying notes 1 to 36 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 Wadhera
Partner
Membership No: 508835
Place: Gurugram

Date: May 13, 2026

Deloitte Haskins & Sells LLP Chartered Accountants

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
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Place: Gurugram

Xtelify Limited

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 13, 2026.

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.

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Xtelify Limited

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 has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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.

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Xtelify Limited

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 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.

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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.

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**
Plant and machinery	4-10

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

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

Softwares including internally generated softwares, are amortised over the period of license, ranging from three to 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.

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Xtelify Limited

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.

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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 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.

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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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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.

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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.

Contract assets are presented separately in the financial statements based on expected realisation. Contract assets represent the Company's right to consideration in exchange for goods or services transferred to customers where such right is conditional on something other than the passage of time (e.g., milestone achievements, acceptance clauses etc.)

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 year.

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 year, unless issued at a later date during the year.

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

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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. 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 to 5 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) Pursuant to the notification issued by the Ministry of Labour and Employment, the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") became effective from November 21, 2025. The Company has assessed the financial implication of New Labour Codes, which has resulted in increase in provision for gratuity and compensated absences amounting to Rs. 147. Considering the impact arising out of enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as exceptional item. The tax credit on above exceptional item of Rs. 37 is included under tax expense/(credit).

The Company continues to monitor the finalisation of Central and State Rules, as well as Government clarifications on other aspects of the New Labour Codes and will incorporate appropriate accounting treatment based on these developments as required.

b) During the year ended March 31, 2026, the Company has issued 6,977 equity shares to the existing shareholders (Bharti Airtel Limited and Bharti Airtel Services Limited) through a right issue for a consideration of Rs. 1,500.

c) 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 smeet 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.

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

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

	As of February 28, 2025
Assets	
Non-current assets	266
Current assets	1,889
Total assets	**2,155**
Equity and liabilities	
Equity	
Optionally convertible debentures	102,260
Common control reserve	(100,420)
Liabilities	
Non-current liabilities	127
Current liabilities	188
Payable to group company	-
Total equity and liabilities	**2,155**

	For the period April 1, 2024 to February 28, 2025
Statement of profit and loss	
Income	8,428
Expenses	887
Profit from operating activities	**7,541**
Depreciation and amortisation	159
Profit for the period	**7,382**

d) 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.

e) 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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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, 2026 and March 31, 2025:

Gross Carrying Value	Plant and Machinery	Computer equipments	Leasehold improvements	Office equipments	Furnitures and fixtures	Total	CWIP*
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**
As of April 1, 2025	-	**5,224**	**34**	**132**	**4**	**5,394**	**6,283**
Additions	5,134	2,524	-	16	-	7,674	2,389
Disposals / adjustments	-	-	-	(6)	-	(6)	(7,674)
As at March 31, 2026	**5,134**	**7,748**	**34**	**142**	**4**	**13,062**	**998**
Accumulated Depreciation							
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**	-
As of April 1, 2025	-	**2,247**	**15**	**32**	**4**	**2,298**	-
Charge	563	2,602	3	11	0	3,179	-
Disposals / adjustments	-	-	-	(5)	-	(5)	-
As at March 31, 2026	563	**4,849**	**18**	**38**	**4**	**5,472**	-
Net carrying amount							
As of March 31, 2025	-	2,977	19	100	-	3,096	6,283
As of March 31, 2026	4,571	2,899	16	104	-	7,590	998

^ Refer note 4 (c)

* mainly pertains to plant and machinery, computer equipment and office equipments.

CWIP ageing schedule

As of March 31, 2026

	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	994	3	-	1	998

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

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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, 2026 and March 31, 2025:

	Software			Non compete fee	Total	IAUD*
	Internally Genrated$	Purchased$	Total			
Gross carrying value						
As of April 1, 2024	**2,517**	**104**	**2,621**	**95**	**2,716**	**249**
Additions ^	810	4,676	5,486	-	5,486	6,915
Disposals / adjustments	-	-	-	-	-	(5,486)
As of March 31, 2025	**3,327**	**4,780**	**8,107**	**95**	**8,202**	**1,678**
As of April 1, 2025	**3,327**	**4,780**	**8,107**	**95**	**8,202**	**1,678**
Additions	1,589	1,918	3,507	-	3,507	2,287
Disposals / adjustments	-	-	-	-	-	(3,507)
As at March 31, 2026	**4,916**	**6,698**	**11,614**	**95**	**11,709**	**458**
Accumulated amortisation						
As of April 1, 2024	**1,238**	**83**	**1,321**	**95**	**1,416**	-
Amortisation ^	906	2,260	3,166	-	3,166	-
Disposals / adjustments	-	-	-	-	-	-
As of March 31, 2025	**2,144**	**2,343**	**4,487**	**95**	**4,582**	-
As of April 1, 2025	**2,144**	**2,343**	**4,487**	**95**	**4,582**	-
Amortisation	856	2,128	2,984	-	2,984	-
Disposals / adjustments	-	-	-	-	-	-
As at March 31, 2026	**3,000**	**4,471**	**7,471**	**95**	**7,566**	-
Net carrying value						
As at March 31, 2025	1,183	2,437	3,620	-	3,620	1,678
As at March 31, 2026	1,916	2,227	4,143	-	4,143	458

^ Refer note 4 (c)

* Mainly pertains to software.

$ average remaining useful life of internally generated and purchased software is 3 years

Intangible Assets under Development (IAUD) ageing schedule

As of March 31, 2026

	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	458	-	-	-	458

As of 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

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7. Income tax

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
- For the year	3,525	951
	3,525	**951**
Deferred tax		
- Origination and reversal of temporary differences	(254)	(345)
	(254)	**(345)**
Income tax expense	**3,271**	**606**

	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount recognised in OCI		
Deferred tax related to items charged to OCI during the year:		
- Tax credit on re-measurement of defined benefit plan	(4)	(1)
Deferred tax credit to OCI	**(4)**	**(1)**

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, 2026	For the year ended March 31, 2025
Profit before tax	12,819	9,701
Less: Profit on account of common control transaction (Refer Note 4 (c))	-	(7,382)
	12,819	2,319
Tax expense @ 25.168%	3,226	584
Effect of:		
(Income) / Expenses (net) not taxable / deductible	42	21
Others	3	1
Income tax (credit) / expense	**3,271**	**606**

The analysis of deferred tax assets is as follows:-

	As of March 31, 2026	As of March 31, 2025
Deferred tax assets / (liabilities)		
Trade Receivables	121	99
Fair valuation of financial assets	(15)	-
Provision for Employee benefits	248	156
Property, plant and equipment / intangible assets	300	173
Others	24	-
Net deferred tax assets	**678**	**428**

	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax income / (expense)		
Trade Receivables	(22)	(8)
Fair valuation of financial assets	15	-
Provision for Employee benefits	(92)	(111)
Property, plant and equipment / intangible assets	(131)	(226)
Others	(24)	-
Net Deferred tax income	**(254)**	**(345)**

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(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, 2026	March 31, 2025
Opening balance	428	74
Tax credit recognised in the Statement of Profit and Loss	254	345
Tax charge recognised in OCI	(4)	(1)
Others	-	10
Closing balance	**678**	**428**

With respect to acquisition of IoT business undertaking for the year ended March 31, 2025 (refer note 4(c)), 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, 2026 and March 31, 2025.

8. Investments

Non-current

	As of	
	March 31, 2026	March 31, 2025
Investments carried at cost		
Airtel Limited: 495 equity shares of Rs.10 each	0	0
Investments at FVTPL		
Equity instruments (unquoted)	0	39
	0	**39**
Aggregate book value of unquoted investments	0	39

Current

	As of	
	March 31, 2026	March 31, 2025
Investments at FVTPL		
Mutual Fund (quoted)	8,390	711
Investments carried at amortised cost		
Commercial papers (quoted)	2,710	-
	11,100	**711**
Aggregate book / market value of quoted investments	11,100	711

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9. Other assets

Non - Current

	As of March 31, 2026	As of March 31, 2025
Taxes recoverable*	83	-
Prepaid expenses	528	2
Others^	11	5
	622	**7**

Current

	As of March 31, 2026	As of March 31, 2025
Taxes recoverable *	629	1,739
Advance given to supplier (net)#	118	741
Prepaid expenses	568	313
Others** (refer note 28)	32	38
	1,347	**2,831**

^ Includes capital advances

* Taxes recoverable primarily include Goods & Services Tax ('GST') and payments made under protest.

Advances to suppliers are disclosed net of allowance of Rs. 31 and Rs. 33 as of March 31, 2026 and March 31, 2025 respectively.

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

10. Trade receivables

	As of March 31, 2026	As of March 31, 2025
Trade receivables considered good - unsecured*	7,051	5,084
Less: Allowances for doubtful receivables	(798)	(708)
	6,253	**4,376**

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

Refer note 31(a) for credit risk.

The movement in allowances for doubtful receivables is as follows:

	As of March 31, 2026	As of March 31, 2025
Opening balance	708	628
Additions	248	112
Write off (net of recovery)	(158)	(32)
Closing balance	**798**	**708**

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

Trade receivables ageing schedule:

	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	1,639	5,132	48	120	34	78	7,051
Less: Allowance for doubtful receivables							(798)
Net trade receivables							**6,253**
Unbilled Revenue (refer note 12)	5,859						**5,859**

As of March 31, 2025

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6	6 months -1	1-2 Years	2-3 years	More than 3	
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 12)	3,493	-	-	-	-	-	**3,493**

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

	As of	
	March 31, 2026	**March 31, 2025**
- On current accounts	14	73
- Bank deposits with original maturity of 3 months or less	889	138
	903	**211**

12. Other financial assets

Current

	As of	
	March 31, 2026	**March 31, 2025**
Unbilled revenue* (refer note 20)	5,859	3,493
Others	2	0
	5,861	**3,493**

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

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

13. Equity share capital

	As of	
	March 31, 2026	**March 31, 2025**
Authorised shares		
1,000,000 (March 31, 2025 - 1,000,000) equity shares of Rs. 10 each	**10**	**10**
Issued, subscribed and fully paid-up shares		
202,462 (March 31, 2025 - 195,485) 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, 2026		March 31, 2025	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	195,485	2	173,731	2
Issued during the year *	6,977	0	21,754	0
Outstanding at the end of the year	**202,462**	**2**	**195,485**	**2**

* Refer note 4 (b) and 4 (e)

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.

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

	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 (Parent Company) ^	200,438	99.00%	193,531	99.00%

^ including 6 shares held by nominee

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

d. Shareholding of Promoters

		As of				
		April 1, 2025		March 31, 2026		
S No.	Promoter Name	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
1	Bharti Airtel Limited^	193,531	99%	200,438	99%	0%

		As of				
		April 1, 2024		March 31, 2025		
S No.	Promoter Name	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%

^ including 6 shares held by nominee

e. Optionally Convertible Debentures classified as Equity

During the year March 2025, the Company had 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.

14. Other Equity

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.

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.

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Xtelify Limited

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15. Provisions

Non-current

	As of	
	March 31, 2026	March 31, 2025
Gratuity	419	304
Other employee benefit plan	12	9
	431	**313**

Current

	As of	
	March 31, 2026	March 31, 2025
Gratuity	113	83
Other employee benefit plan	306	240
	419	**323**

Refer note 22 for movement of various employee benefits.

16. Trade payables

	As of	
	March 31, 2026	March 31, 2025
Dues to micro enterprises and small enterprises	28	31
Others*	8,574	8,575
	8,602	**8,606**

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

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, 2026	March 31, 2025
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year *	34	160
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. 6 (March 31, 2025: Rs. 129) relating to equipment supply payable under other financial liabilities in note 17.

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

Trade payables ageing schedule

As of March 31, 2026

	Unbilled	Not due	Outstanding for following periods from due: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Due to micro and small enterprises (A)	-	28	-	-	-	-	28
(ii) Others (B)	7,567	893	18	88	-	8	8,574
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues – Others (D)	-	-	-	-	-	-	-
Total dues to micro and small enterprises (A+C)	-	28	-	-	-	-	28
Total others (B+D)	7,567	893	18	88	-	8	8,574

As of March 31, 2025

	Unbilled	Not due	Outstanding for following periods from due: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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

17. Other financial liabilities

Current

	As of March 31, 2026	As of March 31, 2025
Employee payables	345	279
Equipment supply payables	1,784	2,816
Others*	221	336
	2,350	**3,431**

* includes payable to a related party

18. Other liabilities

Non-current

	As of March 31, 2026	As of March 31, 2025
Advance from customers	394	455
	394	**455**

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

Current

	As of	
	March 31, 2026	March 31, 2025
Taxes payable*	785	816
Advance from customers	123	91
Others	-	8
	908	**915**

*Taxes payable mainly includes Goods and Services Tax, TDS and Custom duty payable.

19. Commitments

Capital Commitments

The Company has contractual commitments towards capital expenditure (net of related advance) of Rs. 2,045 and Rs. 1,117 as of March 31, 2026 and March 31, 2025 respectively.

20. Revenue from operations

	For the year ended	
	March 31, 2026	March 31, 2025
Service revenue	45,326	36,323
Sale of products	1,144	194
	46,470	**36,517**

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, 2026	March 31, 2025
Major Product/ Services lines		
Subscription revenue	7,726	5,967
Sale of products	1,144	194
Platform usage charges	2,634	1,735
VAS through Airtel IQ & other related services	11,600	10,510
Internet of Things@	12,452	9,253
Digital assets	9,916	7,992
Others	998	866
	46,470	**36,517**
Timing of Revenue Recognition		
Products transferred at a point in time	1,144	194
Services transferred over time	45,326	36,323
	46,470	**36,517**

@ Refer note 4(c)

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Xtelify Limited

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Contract Balances

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

	As of	
	March 31, 2026	**March 31, 2025**
Unbilled Revenue (refer note 12)		
-current	5,859	3,493
Deferred Revenue		
-non current	228	284
-current	470	235

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

	For the year ended	
	March 31, 2026	
	Unbilled Revenue	**Deferred Revenue**
Revenue recognised that was included in deferred revenue at the beginning of the year	-	235
Increase due to cash received, excluding amounts recognised as revenue during the year	-	414
Transfers from unbilled revenue recognised at the beginning of the year to receivables	3,493	-

21. Other Income

	For the year ended	
	March 31, 2026	**March 31, 2025**
Interest income other	113	540
Net gain on FVTPL investments	201	34
Other miscellaneous income^	7	115
	321	**689**

^ includes liability written back of Rs. 7 and Rs. 115 during the year ending March 31, 2026 and March 31, 2025.

22. Employee benefits expense

	For the year ended	
	March 31, 2026	**March 31, 2025**
Salaries, wages and bonus*	4,647	4,045
Defined benefit plan / other long term benefits	231	155
Contribution to provident and other funds	224	171
Staff welfare expenses	98	107
Others**	22	14
	5,222	**4,492**

**It mainly includes recruitments and training expenses.

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22.1 Share-based payment plans

Bharti Airtel Limited, the Parent Company has provided equity-based share options to eligible employees of the Company. The plan entitles the holder to 1 equity share per option of the Parent Company at the time of exercise. The Company reimburses its Parent Company for this cost. Accordingly, the Company has accounted it as an employee benefits expense of Rs.144 (March 31, 2025: Rs. 111) with a corresponding payable to the Parent Company.

The table below provides an overview of the share option plan:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7

The movement in the number of stock options and the related weighted average exercise prices are as follows:

	For the year ended			
	March 31, 2026		March 31, 2025	
	Number of share options ('000)	Weighted average exercise price (Rs.)	Number of share options ('000)	Weighted average exercise price (Rs.)
LTI Plan				
Outstanding at beginning of year	416	5.00	459	5.00
Granted	163	5.00	106	5.00
Exercised	(237)	5.00	(100)	5.00
Forfeited / expired	(11)	5.00	(49)	5.00
Outstanding at end of year	331	5.00	416	5.00
Exercisable at end of year	209	5.00	137	5.00

Range of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options issued by the Parent company are as follows:

	As of	
	March 31, 2026	March 31, 2025
Remaining contractual life for the options outstanding as of (years)	0.4 to 6.4	0.4 to 6.5
Fair value for the options granted during the year ended (Rs.)	691.51 to 1,783.67	595.10 to 1,424.10
Share price for the options exercised during the year ended (Rs.)	1686.65 to 2162.70	1370.78 to 1758.28

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The fair value of options is measured using Black-Scholes model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	For the year ended	
	March 31, 2026	March 31, 2025
Risk free interest rates	6.37%	6.78%
Expected life	48 to 60 months	48 to 60 months
Volatility	21.5%	22.5%
Dividend yield	0.9%	0.5%
Exercise price (Rs.)	5	5
Share price on the date of grant (Rs.)	1,850.15	1,459.10

22.2 Employee Benefits

The details of defined benefits obligations are as follows:

Movement in Obligations

	For the year ended			
	March 31, 2026		March 31, 2025	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	387	240	109	75
Current service cost	122	80	98	69
Past service cost	91	44	-	-
Interest cost	28	17	8	5
Benefits paid	(69)	(40)	(44)	(30)
Transfers	(11)	(5)	219	147
Remeasurements	(16)	(30)	(3)	(26)
Present value of obligation	**532**	**306**	**387**	**240**
Current portion	113	306	83	240
Non-current portion	419	-	304	-

As of March 31, 2026, expected contributions for the next annual reporting period is Rs. 174.

Amount recognised in Other Comprehensive Income :

	For the year ended	
	March 31, 2026	March 31, 2025
Experience (gain)	(8)	(13)
(Gain)/Loss from change in demographic assumptions	(1)	10
(Gain) from change in financial assumptions	(7)	(0)
Remeasurement loss on defined benefit plans	**(16)**	**(3)**

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.

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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, 2026	March 31, 2025
Discount Rate	7.52%	7.12%
Rate of salary increase	7.00%	7.00%
Rate of attrition	14% to 30%	16% to 24%
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:

		As of	
	Change in assumption	March 31, 2026	March 31, 2025
		Gratuity	Gratuity
Discount Rate	+1%	(20)	(13)
	-1%	22	14
Salary Growth Rate	+1%	22	14
	-1%	(20)	(13)

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.

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

	As of	
	March 31, 2026	**March 31, 2025**
Within one year	113	83
Within one - three years	159	123
Within three - five years	94	74
Above five years	166	106
	532	**386**
Weighted average duration (in years)	3.84	4.14

23. Sales and marketing expenses

	For the year ended	
	March 31, 2026	**March 31, 2025**
Advertisement and marketing	1,314	1,462
Other selling and distribution expenses	511	297
Business promotion	167	43
	1,992	**1,802**

24. Other Expenses

	For the year ended	
	March 31, 2026	**March 31, 2025**
Legal and professional fees	21	8
Repair and maintenance	546	211
Rent expenses	1,014	345
Customer care expenses	30	192
Telephone and postage	1	1
Allowance for doubtful receivables	90	80
Rate and taxes	15	2
Bad debts written off	158	32
Travelling and conveyance	64	31
Charity and Donation*	56	18
Installation charges	119	58
Payment made to statutory auditors^	2	2
Software and IT expenses	3,814	3,466
Collection & Recovery Charges	267	126
Printing & Stationery	74	24
Other expenses$	198	100
	6,469	**4,696**

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

	For the year ended	
	March 31, 2026	**March 31, 2025**
Audit fee	2	2
Reimbursement of expenses	0	0
	2	**2**

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***Additional information pertaining to Corporate Social Responsibility (CSR)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) amount required to be spent by the company during the year	Rs. 35	Rs.17
(ii) amount of expenditure incurred		
(a) on construction/acquisition of any asset	-	-
(b) on purpose other than (a) above	Rs. 56	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, sanitation and disaster management, including relief, rehabilitation and reconstruction activities.	
(vi) details of related party transactions	Contributed Rs. 36 to Bharti Airtel Foundation	Contributed Rs. 18 to Bharti Airtel Foundation

$ It includes non-CSR donations amounting to Rs. 122 during the year ended March 31, 2026.

25. Depreciation and amortisation expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation (refer note 5)	3,179	1,831
Amortisation (refer note 6)	2,984	3,166
	6,163	**4,997**

26. Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Finance charges	18	26
Net foreign exchange loss	62	(19)
	80	**7**

27. Exceptional item

For the year ended March 31, 2026 exceptional item comprises of Rs. 147 on account of implementation of New Labour Codes (refer note 4 (a)).

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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
Airtel Money 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 Congo S.A.	Fellow Subsidiary
Airtel Malawi Plc	Fellow Subsidiary
Airtel Networks Kenya Limited	Fellow Subsidiary
Airtel Networks Zambia Plc	Fellow Subsidiary
Airtel Rwanda Limited	Fellow Subsidiary
Airtel Tanzania Limited	Fellow Subsidiary
Airtel Uganda Limited	Fellow Subsidiary
Airtel Gabon S.A.	Fellow Subsidiary
Airtel Madagascar S.A.	Fellow Subsidiary
Airtel Money Rdc S.A.	Fellow Subsidiary
Airtel Money Niger S.A.	Fellow Subsidiary
Smartcash Payment Service Bank Limited	Fellow Subsidiary
Airtel Africa Services (UK) Limited	Fellow Subsidiary
Airtel Money Tanzania Limited	Fellow Subsidiary
Airtel Mobile Commerce Uganda Limited	Fellow Subsidiary
Celtel Niger S.A.	Fellow Subsidiary
Airtel Mobile Commerce B.V	Fellow Subsidiary
Airtel Money Kenya Limited	Fellow Subsidiary
Bharti International (Singapore) Pte. Ltd.	Fellow Subsidiary
Hughes Communications India Private Limited	Entities where Parent exercises significant influence
HCIL Comtel Private Limited	Entities where Parent exercises significant influence
Airtel Payments Bank Limited	Entities where Parent exercises significant influence
Bharti Airtel Foundation (formerly known as Bharti Foundation)*	Other related party
Bharti Life Insurance Company Limited (formely known as Bharti Axa life Insurance Co. Ltd.)*	Other related party
Bharti Land Ltd*	Other related party
Del Monte Foods Private Limited (till February 6, 2025)*	Other related party
Hike Private Limited*	Other related party
Alborz Developers Ltd.*	Other related party
Shivalik Small Finance Bank Limited*	Other related party
Globe Telecom, Inc.*	Other related party
Flo Mobility Private Limited*	Other related party
Singapore Telecommunications Limited	Entity having significant influence over the Company
Payu Payments Private Limited*	Other related party
Bharti Airtel Lanka (Pvt.) Ltd.*	Other related party
Indegene Private Limited*	Other related party
Urbanclap Technologies India Private Limited*	Other related party
Bharti Management Services Limited *	Other related party

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Key management personnel ('KMP')

Ajeeta kahale, Director (Till November 15, 2024)

Pankaj Tewari, Director

Nidhi Lauria, Director (w.e.f September 30, 2025) & Additional Director (w.e.f November 15, 2024 till September 30, 2025)

Soumen Ray, Director

Pradipt Kapoor, Director

* '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.

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(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, 2026					March 31, 2025				
	Parent	Fellow subsidiary	Entity having significant influence over the Company	Entities where Parent exercises significant influence	Other related parties	Parent	Fellow subsidiary	Entity having significant influence over the Company	Entities where Parent exercises significant influence	Other related parties
Rendering of services*	19,398	2,661	215	545	32	15,831	2,190	-	439	49
Receiving of services*	12,560	1,862	-	-	-	10,269	538	-	-	-
Purchase of assets	5	2,187	-	-	-	7,336	6,446	-	-	-
Issue of share capital	1,485	15	-	-	-	4,257	398	-	-	-
Issue of OCDs	-	-	-	-	-	102,260	-	-	-	-
Purchase of business	-	-	-	-	-	102,260	-	-	-	-
Employee settlement	191	-	-	-	-	648	0	-	-	-
Expenses incurred by the Company on behalf of Related Party	14,502	849	-	-	-	6,220	215	-	-	-
Expenses incurred by Related Party on behalf of Company	1,207	33	-	-	-	3,523	31	-	57	-
Loans given	-	10	-	-	-	-	-	-	-	-
Receipt back of Loans given	-	10	-	-	-	-	4,770	-	-	-
Interest income on Loan	-	-	-	-	-	-	92	-	-	-
Receipt of Interest	-	-	-	-	-	-	131	-	-	-
Loan taken	-	-	-	-	-	4,071	-	-	-	-
Interest expense on Loan	-	-	-	-	-	21	-	-	-	-
Donation	-	-	-	-	36	-	-	-	-	18
Sale of invetsment	175	-	-	-	-	-	-	-	-	-
Purchase of investment	-	175	-	-	-	-	-	-	-	-
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.

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Xtelify Limited

(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, 2026	March 31, 2025
(i) Rendering of services *		
Parent Company		
Bharti Airtel Limited	19,398	15,831
Fellow subsidiary		
Bharti Hexacom Limited	1,215	1,138
Bharti Telemedia Limited	484	524
Indus Towers Limited	106	37
Airtel Networks Limited	40	242
Entity where Parent exercises significant influence		
Fellow Associates		
Airtel Payments Bank Limited	496	435
Entity having significant influence		
Singapore Telecommunications Limited	215	-
(ii) Receiving of services *		
Parent Company		
Bharti Airtel Limited	12,560	10,269
Fellow subsidiary		
Bharti Airtel Services Limited	141	156
Nxtra Limited	1,588	342
(iii) Purchase of fixed assets		
Parent Company		
Bharti Airtel Limited	5	7,336
Fellow subsidiary		
Bharti Airtel Services Limited	205	520
Beetel Teletech Limited	1,983	5,926
(iv) Employee settlement		
Parent Company		
Bharti Airtel Limited	191	648
(v) Expenses incurred by the Company on behalf of Related Party		
Parent Company		
Bharti Airtel Limited	14,502	6,220
Fellow subsidiary		
Bharti Hexacom Limited	831	170
(vi) Expenses incurred by Related Party on behalf of Company		
Parent Company		
Bharti Airtel Limited	1,207	3,523
(vii) Loans Given		
Fellow subsidiary		
Bharti Airtel Services Limited	10	-
(vii) Receipt back of Loans Given		
Fellow subsidiary		
Bharti Airtel Services Limited	10	4,770
(viii) Loan taken		
Parent Company		
Bharti Airtel Limited	-	4,071
(ix) Repayment of loan taken		
Parent Company		
Bharti Airtel Limited	-	4,071
(x) Issue of share capital (including securities premium)		
Parent Company		
Bharti Airtel Limited	1,485	4,257
Fellow subsidiary		
Bharti Airtel Services Limited	15	398

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(xi) Issue of OCDs		
Parent Company		
Bharti Airtel Limited	-	102,260
(xii) Purchase of business		
Parent Company		
Bharti Airtel Limited	-	102,260
(xii) Purchase of invetsment		
Fellow subsidiary		
Airtel Money Limited	175	-
(xiii) Sale of invetsment		
Parent Company		
Bharti Airtel Limited	175	-

* 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, 2026				
Trade receivables and other financial assets	2,328	799	218	83
Trade payables and other financial liabilities	(345)	(602)	-	(3)
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)	-	-

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

29. Earnings per share ('EPS')

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

	For the year ended	
	March 31, 2026	March 31, 2025
Profit / (Loss) attributable to equity shareholders as per Statement of Profit and Loss (A)	9,548	9,095
Weighted average number of equity shares ('000) for calculation of basic earnings per share (B)	202	175
Weighted average number of equity shares ('000) for calculation of diluted earnings per share (C)	707	219
1) Basic (A/B)	47,360	51,971
2) Diluted (A/C)	13,510	41,530

	As of	
	March 31, 2026	March 31, 2025
	In thousands	
Weighted average shares outstanding for basic EPS	202	175
Effect of dilution due to OCDs	505	44
Weighted average shares outstanding for diluted EPS	**707**	**219**

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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. 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.

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.

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

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, 2026	1,639	2,597	1,687	330	-	6,253
Trade Receivables as of March 31, 2025	2,060	1,421	895	-	-	4,376

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, 2026 and March 31, 2025.

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.

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

	As of March 31, 2026						
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables	8,602	-	8,602	-	-	-	8,602
Other financial liabilities	2,350	-	2,350	-	-	-	2,350
	10,952	-	**10,952**	-	-	-	**10,952**

	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**

(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.

(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:-

	As of March 31, 2026		
Particulars	**US Dollar**	**Euro**	**Others**
Trade and other receivables	749	-	3
Trade and other payables	(1,134)	-	-
Net assets / (liabilities)	**(385)**	-	**3**

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

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

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, 2026	March 31, 2025
US Dollar	+5%	(19)	(33)
	-5%	19	33

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.

(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, 2026	March 31, 2025
Transfer of IoT business from Bharti Airtel Limited (parent) against issuance of optionally convertible debentures by the Company (refer note 4(c)).	-	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, 2026	March 31, 2025	March 31, 2026	March 31, 2024
Financial Assets					
FVTPL					
Investments - quoted	Level 1	8,390	711	8,390	711
Investments - unquoted	Level 3	0	39	0	39
Amortised cost					
Investments - quoted		2,710	-	2,710	-
Trade receivables		6,253	4,376	6,253	4,376
Cash & cash equivalents		903	211	903	211
Other financial assets		5,861	3,493	5,861	3,493
		24,117	**8,830**	**24,117**	**8,830**
Financial Liabilities					
Amortised cost					
Trade payables		8,602	8,606	8,602	8,606
Other financial liabilities		2,350	3,431	2,350	3,431
		10,952	**12,037**	**10,952**	**12,037**

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

i. 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.

ii. 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, 2026 and March 31, 2025:

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, 2026 and March 31, 2025, 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.

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33. Ratios

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for variance
Current Ratio - [no. of times]	Current Assets	Current Liabilites	1.81	0.86	110%	Increase in current ratio is due to increase in investments during the 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	N.A.	N.A.	N.A.	
Return on equity ratio - [no. of times]	Net Profit (PAT)	Average Equity attributable to owners of the parent	0.49	(0.21)	335%	Increase is due to increase in profits.
Trade receivables turnover ratio - [no. of days]	Average trade receivables	Revenue from operations / no of days for the period	42	42	(1%)	
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital (i.e Current Assets - Current Liabilities)	4.02	(19.34)	121%	Increase is due to increase in revenue during the year
Net profit ratio (%)	Profit /(Loss) for the year	Revenue from operations	20.55%	24.91%	(18%)	
Return on capital employed (%)	Profit before finance costs and tax (EBIT)	Average Capital Employed#	95.3%	(21.9%)	(536%)	Increase is due to increase in profits.
Return on investment (%)	Income generated from investments at FVTPL	Time weighted average investment at FVTPL	5.15%	8.31%	(38%)	Decrease due to more invetsment made in mutual funds in current year

* excluding lease liabilities

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

34. Relationship with struck off companies

(Amt in INR Millions)

Relationship with struck off Company	Nature of transactions	Name of the Struck off company	Balance outstanding as of March 31, 2026	Balance outstanding as of March 31, 2025
Customer	Receivables	EEMOT IMPEX PRIVATE LIMITED (OPC)	0	-
Customer	Receivables	SWITCHUP TECHNOLOGIES PRIVATE LIMITED	-	-
Customer	Receivables	SECOYA FRANCHISE INDIA PRIVATE LIMITED	-	-
Customer	Receivables	REPS INDIA PVT LTD	-	-
Customer	Receivables	PRAKANT ELECTRONICS PVT LTD	-	-
Vendor	Payables	ALIEN SYNTHETIC PRIVATE LIMITED	-	-

35. During the year ended March 31, 2026 and March 31, 2025, 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 year ended March 31, 2026 and March 31, 2025, 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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36. 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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