

Airtel Limited
Financial Statements
March 31, 2022

Airtel Limited
Financial Statements - March 31, 2022

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Airtel Limited
Balance Sheet

(All amounts are in thousands of Indian Rupee)

	Notes	As of March 31, 2022
Assets		
Non-current assets		
Property, plant and equipment		-
Current assets		
Financial assets		
Cash and cash equivalents	3	100
Other financial assets		-
		<u>100</u>
Total Assets		<u><u>100</u></u>
Equity and Liabilities		
Equity		
Equity share capital	4	100
Other equity		<u>(190)</u>
		(90)
Current liabilities		
-Other financial liabilities	5	190
		<u>190</u>
Total equity and liabilities		<u><u>100</u></u>

The accompanying notes 1 to 9 form an integral part of these Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W / W-100018



Nilesh H. Lahoti
Partner
Membership No. 130054
Place : Gurugram



Date : May 17, 2022

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



Soumen Ray
Director
DIN - 09484511
Place : Gurugram



Pankaj Tewari
Director
DIN - 08006533
Place : New Delhi



Airtel Limited
Statement of Profit and Loss

(All amounts are in thousands of Indian Rupee; except per share data)

Particulars	Notes	For the period ended March 31, 2022
Income		
Revenue from operations		-
		-
Expenses		
Other expenses	6	190
		190
Loss before tax		(190)
Tax expense		
Current Tax		-
Defferd Tax		-
		-
Loss for the year		(190)
Other comprehensive income for the period		-
		-
Total comprehensive loss for the period		(190)
Loss per equity share (in Rs.)	7	
Face Value of Rs. 10 each		
Basic and Diluted		(19)

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Chartered Accountants
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Soumen Ray
Director
DIN - 09484511
Place : Gurugram



Pankaj Tewari
Director
DIN - 08006533
Place : New Delhi



Airtel Limited
Statement of Changes in Equity

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

	Equity share capital		Other equity	Total equity
	No. of shares (in '000)	Amount	Reserve and surplus -Retained earnings	
At the date of incorporation	-	-	-	-
Loss for the period	-	-	(190)	(190)
Other comprehensive income	-	-	-	-
Total comprehensive Loss	-	-	(190)	(190)
Issue of equity shares	10	100	-	100
As of March 31, 2022	10	100	(190)	(90)

Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company.

The accompanying notes 1 to 9 form an integral part of these Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W / W-100018



Nilesh H. Lahoti
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Membership No. 130054
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Airtel Limited



Soumen Ray
Director
DIN - 09484511
Place : Gurugram



Pankaj Tewari
Director
DIN - 08006533
Place : New Delhi



Airtel Limited
Statement of Cash Flows

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

Particulars	For the period ended March 31, 2022
Cash flow from operating activities:	
Loss before tax	(190)
Adjustments for:	
Other non cash items	-
Operating cash flow before changes in assets and liabilities	(190)
Changes in assets and liabilities :	
Other financial / non-financial assets	-
Other financial / non-financial liabilities	190
Cash generated from operations before tax	(0)
Income taxes paid	-
Net cash generated from operating activities (A)	(0)
Cash flow from investing activities:	
Purchase of investment	-
Sale of investment	-
Net cash used in investing activities (B)	-
Cash flow from financing activities:	
Proceeds from issue of equity shares	100
Proceeds from borrowings	-
Net cash generated from financing activities (C)	100
Net increase in cash & cash equivalents during the period (A+B+C)	100
Cash and cash equivalents at date of incorporation	-
Cash and cash equivalents at the end of the period	100

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

The accompanying notes 1 to 9 form an integral part of these Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W / W-100018



Nilesh H. Lahoti
Partner
Membership No. 130054
Place : Gurugram



Date : May 17, 2022

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



Soumen Ray
Director
DIN - 09484511
Place : Gurugram



Pankaj Tewari
Director
DIN - 08006533
Place : New Delhi



Airtel Limited
Notes to Financial Statements

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

1. Corporate Information

Airtel Limited (the 'Company') was incorporated on March 16, 2021 under the provisions of the Companies Act, 2013 as a wholly owned subsidiary of Airtel Digital Limited. The Company was incorporated to principally engaged in providing telecommunication services in India. The registered office of the Company is situated at Airtel Center, Plot no. 16, Udyog Vihar, Phase – IV, Gurugram – 122015, Haryana.

The Company has not yet commenced its commercial operations.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The Financial Statements are approved for issue by the Company's Board of Directors on May 17, 2022.

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) of the Act. Further, for the purpose of clarity, various items are aggregated in the Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows. Nonetheless, these items are disaggregated separately in the notes to the Financial Statements, where applicable or required.

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

These Financial Statements are prepared for the period from the date of incorporation i.e. March 16, 2021 to March 31, 2022 and comparative period information is not applicable.

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Airtel Limited

Notes to Financial Statements

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

New amendments adopted during the period

a. Amendments to Ind AS

MCA vide notification no. G.S.R. 419(E) dated June 18, 2021 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 which amends following Ind AS (as applicable to the Company):

- Ind AS 102, Share-based Payments
- Ind AS 116, Leases
- Ind AS 103, Business Combinations
- Ind AS 105, Non-Current Assets Held for Sale and Discontinued Operations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38, Intangible Assets
- Ind AS 111, Joint Arrangements
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12, Income Taxes
- Ind AS 16, Property, Plant and Equipment
- Ind AS 28, Investments in Associates and Joint Ventures

The amendments are applicable for annual periods beginning on or after April 1, 2021, however, these do not have material impact on the Financial Statements of the Company.

b. Amendments to Schedule III Division II

MCA vide notification dated March 24, 2021, has amended disclosure requirements to Division II of Schedule III to the Act. The amendments are applicable from April 1, 2021.

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Airtel Limited

Notes to Financial Statements

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

Amendments to Ind AS issued but not yet effective

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

- Ind AS 103, Business Combinations
- Ind AS 109, Financial Instruments
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendments are applicable for annual periods beginning on or after April 1, 2022. The Company has evaluated the amendments and the impact is not expected to be material.

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 which are measured at fair value.

2.3 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).

2.4 Equity share capital

Ordinary shares are classified as Equity when the Company has an unconditional 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.



Airtel Limited
Notes to Financial Statements

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

d. Shareholding of Promoters

Shares held by Promoters as of March 31, 2022:

S No.	Promoter Name	No. of shares ('000)	% of total shares	% Change during the year
1	Airtel Digital Limited	10	99.94%	-

5. Other financial liabilities

Particulars	As of March 31, 2022
Audit fees payable	127
Other payables	63
	<u>190</u>

6. Other expenses

Particulars	For the period ended March 31, 2022
Audit fees	127
Legal and professional fees	63
Total	<u>190</u>

7. Earnings per share

	For the period ended March 31, 2022
Loss attributable to equity shareholders as per Statement of Profit and Loss (A)	(190)
Weighted average number of equity shares ('000) for calculation of basic earnings per share (B)	10
Weighted average number of equity shares ('000) for calculation of diluted earnings per share (C)	10
Equity shares of face value Rs. 10 per share	
1) Basic (A/B)	(19)
2) Diluted (A/C)	(19)



Airtel Limited
Notes to Financial Statements

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

8. Deferred Tax

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilized. Since the Company has not commenced its commercial operations. Accordingly, the Company has not recognised deferred tax assets on such losses.

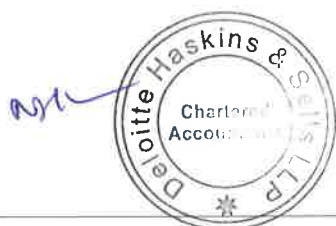
9. Related party disclosures

(a) List of related parties

- i. Parent company**
Airtel Digital Limited
- ii. Intermediate parent company**
Bharti Airtel Limited

(b) The summary of transactions with above mentioned parties is as follows:

	<u>For the period ended</u> <u>March 31, 2022</u>
Issue of equity shares Airtel Digital Limited	100



INDEPENDENT AUDITOR'S REPORT

To The Members of AIRTEL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AIRTEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 including annexures, but does not include the Financial Statements and our auditor's report thereon.
- Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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/(Loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.
- 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 made any payments towards managerial remuneration to its directors during the period and hence requisite approvals mandated by the provisions of section 197 read with Schedule V to 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of

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the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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 that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend (including interim dividend) during the period and has not proposed final dividend for the period.

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)



Nilesh H. Lahoti

Partner

(Membership No. 130054)

(UDIN: 22130054AJDNDW3492)

Place: Gurugram
Date: May 17, 2022

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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AIRTEL LIMITED** ("the Company") as at March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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)



Nilesh H. Lahoti
Partner

(Membership No. 130054)
(UDIN: 22130054AJDNDW3492)

Place: Gurugram
Date: May 17, 2022

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 to the Members of Airtel Limited of even date)

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

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

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. The 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 Income-tax, 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 Goods and Service tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, Employees' State Insurance Act 1948, Provident Fund and Excise Act are not applicable to the Company.

There were no undisputed amounts payable in respect of Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

- viii. 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. In respect of its Borrowings,
 - (a) The Company has not taken any loans or borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
 - (b) 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 (ix)(c) of the Order is not applicable.
 - (d) The Company has not raised funds on short-term during the period, and hence, reporting under clause (ix)(d) of the Order is not applicable.
 - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
 - (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting on clause (ix)(f) of the Order is not applicable.
- x. In respect of its Issued securities,
 - (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. In respect of fraud,
 - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- xiii. In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards. Provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- xiv. Provisions of section 138 of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause (xiv) of the Order is not applicable.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Parent Group has more than one CIC as part of the Parent Group. There are 2 CIC forming part of the Parent Group.
- xvii. The Company has incurred cash losses amounting to Rs. 190,000 in the financial period covered by our audit. It is the first period of operation of the Company, and hence, reporting on cash losses for immediately preceding financial year is not applicable.
- 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 which is not mitigated indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**Deloitte
Haskins & Sells LLP**

The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. 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)



Nilesh H. Lahoti
Partner
(Membership No. 130054)
(UDIN: 22130054AJDNDW3492)

Place: Gurugram
Date: May 17, 2022