



August 1, 2022

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001

The National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block – G, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051

**Ref: Indus Towers Limited (534816/ INDUSTOWER)**

**Sub: Annual General Meeting (AGM) – Notice of 16<sup>th</sup> AGM and Integrated Report for the financial year ended on March 31, 2022**

Dear Sir/ Madam,

Further to our letter dated July 31, 2022, and pursuant to the provisions of Regulation 30, 44 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that:

- The 16<sup>th</sup> (Sixteenth) AGM of the Company will be held on Tuesday, August 23, 2022, at 03:30 p.m. (IST) through Video Conferencing/ Other Audio-Visual Means, in accordance with relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. Notice of the AGM along with the Integrated Report, Business Responsibility and Sustainability Report (BRSR) & Annual Accounts 2021-2022 is enclosed and is also being sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).
  
- The Company is offering e-voting facility to its members to transact the businesses set forth in the Notice. The facility to exercise vote by electronic means (i.e. remote e-voting/ e-voting at the AGM) on all resolutions as set out in the Notice will be provided to the members holding shares either in physical or electronic form as on the cut-off date i.e. Tuesday, August 16, 2022. The remote e-voting will commence on Thursday, August 18, 2022 at 9:00 a.m. (IST) and will end on Monday, August 22, 2022 at 5.00 p.m. (IST) (both days inclusive).

The Notice and Integrated Report are also available on the website of the Company at [www.industowers.com](http://www.industowers.com).

Kindly take the same on record.

Thanking you,

**Indus Towers Limited**

*(formerly Bharti Infratel Limited)*



indus  
TOWERS

Yours faithfully,  
**For Indus Towers Limited**  
**(formerly Bharti Infratel Limited)**

**Samridhi Rodhe**  
**Company Secretary**



Encl: As above

**Indus Towers Limited**  
*(formerly Bharti Infratel Limited)*



indus  
TOWERS

TOWARDS

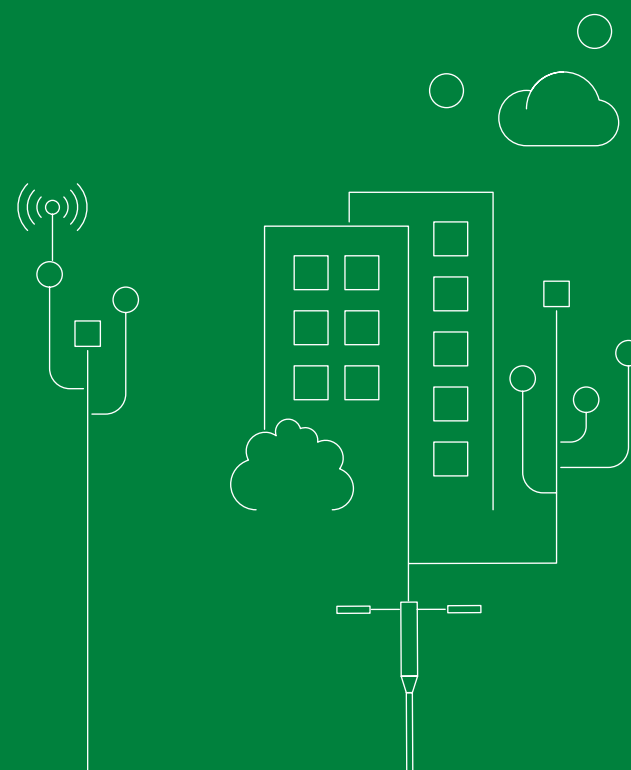
# BUILDING SUSTAINABLE

DIGITAL  
INFRASTRUCTURE

# About the report

This report describes Indus Towers' (hereafter referred to as Indus, Indus Towers, or the Company) commitment to holistic development in action and highlights our strategy and performance for the financial year. This report has been developed as part of our annual reporting process and showcases the financial report as well.

It provides a comprehensive overview of our philosophy and approach to create true value over long-term for our stakeholders including customers, employees, shareholders, suppliers, partners and society at large.



# ABOUT THE REPORT



You can also find this report online: <https://www.industowers.com/>



Scan above QR code to see this report online

## Towards Building a Sustainable Digital Infrastructure

As the leading digital infrastructure provider in the country, Indus Towers is committed to taking pioneering and innovative initiatives to build a digital, more connected, inclusive, and sustainable India. To expedite India's global role in the achievement of Sustainable Development Goals (SDGs), we are dedicated to being the partner of choice for telecom operators, by building a robust sustainable infrastructure, establishing industry best practices, and sustaining resilient development.



## Reporting Scope

The Annual Integrated Report covers information on business operations of Indus Towers Limited (including Subsidiary and Controlled Trust, if applicable), aptly disclosed through the Capitals as defined by International Integrated Reporting Council (IIRC).

## Reporting Principle

The financial statements and statutory disclosures including the Business Responsibility and Sustainability Report, Board's Report, Management Discussion and Analysis (MDA), and Corporate Governance Report are presented in conformance to the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India.

## Reporting Period

The Annual Integrated Report considers the primary reporting period as April 01, 2021 to March 31, 2022. There are inclusion of facts and figures of previous years to provide a comprehensive view to our stakeholders.

In the Integrated Report, we have shown the combined strength (consolidated at 100%) of erstwhile Indus Towers and the Company for the past periods and the numbers may not be comparable to audited financial statements. However, in the statutory reports, data is reported as per applicable law, regulations and standards of India. Please note that the effective date of merger remains November 19, 2020.

## Management Responsibility Statement

The management of Indus recognizes its responsibility of maintaining the integrity, transparency and accuracy of information presented in the Annual Integrated Report. The management also confirms that the report addresses all business-critical material issues pertaining to the organisation and its stakeholders, and communicates the organisation's ability to pursue prospects and mitigate risk.

## Forward Looking Statements

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.



As one of the largest IP-1 players, Indus Towers has served as the backbone for the rapid propagation of wireless services in the country for over a decade. The growth in data and proliferation of 5G are expected to provide lot of new opportunities to tower companies.



N Kumar  
Chairman

## Assurance

To ensure the integrity of the financial and non-financial numbers presented in the Integrated Report for the FY 2021-22 (Page no. 1-143), a Limited Assurance Statement on key performance indicators ('KPIs') which have been assured by Deloitte Haskins & Sells LLP, is available on our website at [www.industowers.com](http://www.industowers.com).

## Key Company Information

Indus Towers Limited

CIN: L64201HR2006PLC073821 | BSE Code: 534816 | NSE Code: INDUSTOWER | Listing date: December 28, 2012



# Corporate information

## Board of Directors

**Mr. N Kumar**  
Chairman  
Independent Director

**Ms. Anita Kapur**  
Non-Executive Independent  
Director

**Mr. Bimal Dayal**  
Managing Director & CEO

**Mr. Gopal Vittal**  
Non-Executive  
Non- Independent Director

**Mr. Harjeet Singh Kohli**  
Non-Executive  
Non- Independent Director

**Mr. Rajan Bharti Mittal**  
Non-Executive  
Non- Independent Director

**Mr. Randeep Singh Sekhon**  
Non-Executive  
Non- Independent Director

**Mr. Ravinder Takkar**  
Non-Executive  
Non- Independent Director

**Mr. Sharad Bhansali**  
Non-Executive Independent  
Director

**Ms. Sonu Bhasin**  
Non-Executive Independent  
Director

**Mr. Sunil Sood**  
Non-Executive  
Non- Independent Director

**Mr. Thomas Reisten**  
Non-Executive  
Non- Independent Director

## Chief Financial Officer

**Mr. Vikas Poddar**

## Company Secretary and Compliance Officer

**Ms. Samridhi Rodhe**

## Statutory Auditors

Deloitte Haskins & Sells LLP  
Chartered Accountants

## Internal Auditor

**Mr. Sarabhjit Singh**

## Co-Source Partners For Internal Audit

PricewaterhouseCoopers Private  
Limited &  
ANB Solutions Private Limited

## Secretarial Auditor

Chandrasekaran Associates  
Company Secretaries

## Registered Office & Corporate Office

Building No. 10, Tower-A, DLF  
Cyber City, Gurugram,  
Haryana - 122002, India

## Corporate Identification Number (CIN)

L64201HR2006PLC073821

## Website

[www.industowers.com](http://www.industowers.com)

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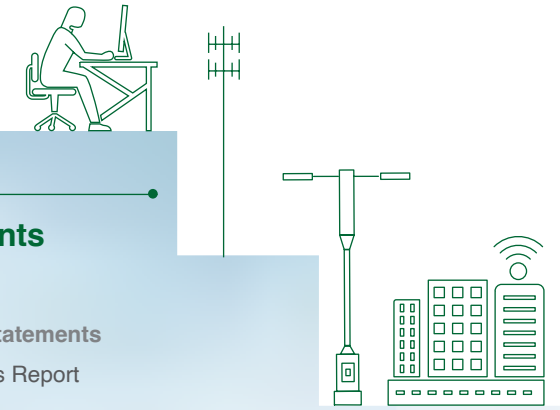
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## Marching together with our customers to

# BRIDGE

## India's Digital Divide

As one of the leading digital infrastructure providers in the country, Indus Towers aims to mobilize digitalization at the grassroots, tapping into the country's huge domestic potential. We believe that bridging the digital divide is the best way to overcome socio-economic differences and live up to the government's vision of Digital India.

Through our business model, we provide a robust passive infrastructure to India's leading telecom operators enabling them to connect lives across the nation. We are enabling meaningful change across the nation by expanding access to education and technology, employment opportunities, ease of doing business, better health, and digital literacy for the underprivileged and underserved communities residing in the rural areas of the country.



India is at the cusp of a digital revolution fueled by augmenting connectivity, enhanced digital capabilities, and rapid advancements in technology. A digital ecosystem powered by a robust network infrastructure is creating new growth avenues and yielding significant economic benefits to the nation.

Digital aspirations are touching new horizons every day. Look no further than the last two years of combating COVID which demonstrates how critical connectivity is to people and society everywhere. With the world being confined to the premises of one's homes, the need for uninterrupted connectivity was felt strongly. Amongst these were members of the society with limited access to seamless connectivity.

While the pandemic in itself was a very challenging time, it fast-tracked many future possibilities. What was considered to be a luxury earlier became the pulse of our nation's growth. People from different demographics now have one common digital need and Indus Towers is proud to be a facilitator of bridging this gap. With our seamless operations, we aced our steps forward, completed our merger, expanded our presence, fulfilled the need of millions of Indians and supported the emerging economy.

**Our business empowers an inclusive India that offers equal opportunities for all.**

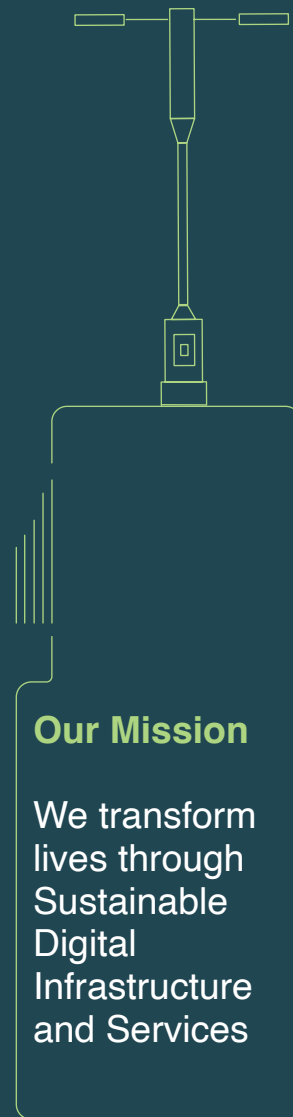


# About Indus Towers

Founded in the midst of 2006, Indus Towers has become one of the world’s largest telecom tower companies, offering passive infrastructure services to telecom operators and other wireless services providers across India.

Headquartered in Gurugram, India, the Company has its footprints spread Pan India. The Company is leading its connectivity ambitions by embedding innovative and green technologies to drive efficiency and grow its capabilities to meet its customers’ requirements. Our business model is inherently sustainable, which affirms our commitment to inclusive, agile, efficient, and above all, sustainable growth.

Enabling communication for millions of people daily, Indus will continue to provide affordable, high-quality, and reliable services for India’s growing network connectivity needs. Indus has a nationwide presence with operations in all 22 telecommunication circles catering to all wireless telecommunication service providers in India. The Company is committed to truly living its credo of Putting India First and Connecting Lives Across the Nation.



Indus Towers is built on a strong foundation of its Mission, Vision and Values. It is the unifying principle that drives our efforts to achieve last mile connectivity and expand our core competencies. Just as our Mission statement defines our purpose, it’s in our DNA to always strive for customer delight through continuous innovation, operational efficiency, as well as speed and quality of execution.



## Our Vision

Strive for Customer Delight through continuous Innovation

- OPERATIONAL EFFICIENCY
- SPEED AND QUALITY OF EXECUTION
- COST EFFICIENCY AND VALUE DELIVERY

## Our Mission

We transform lives through Sustainable Digital Infrastructure and Services

## Indus Values

### Excellence

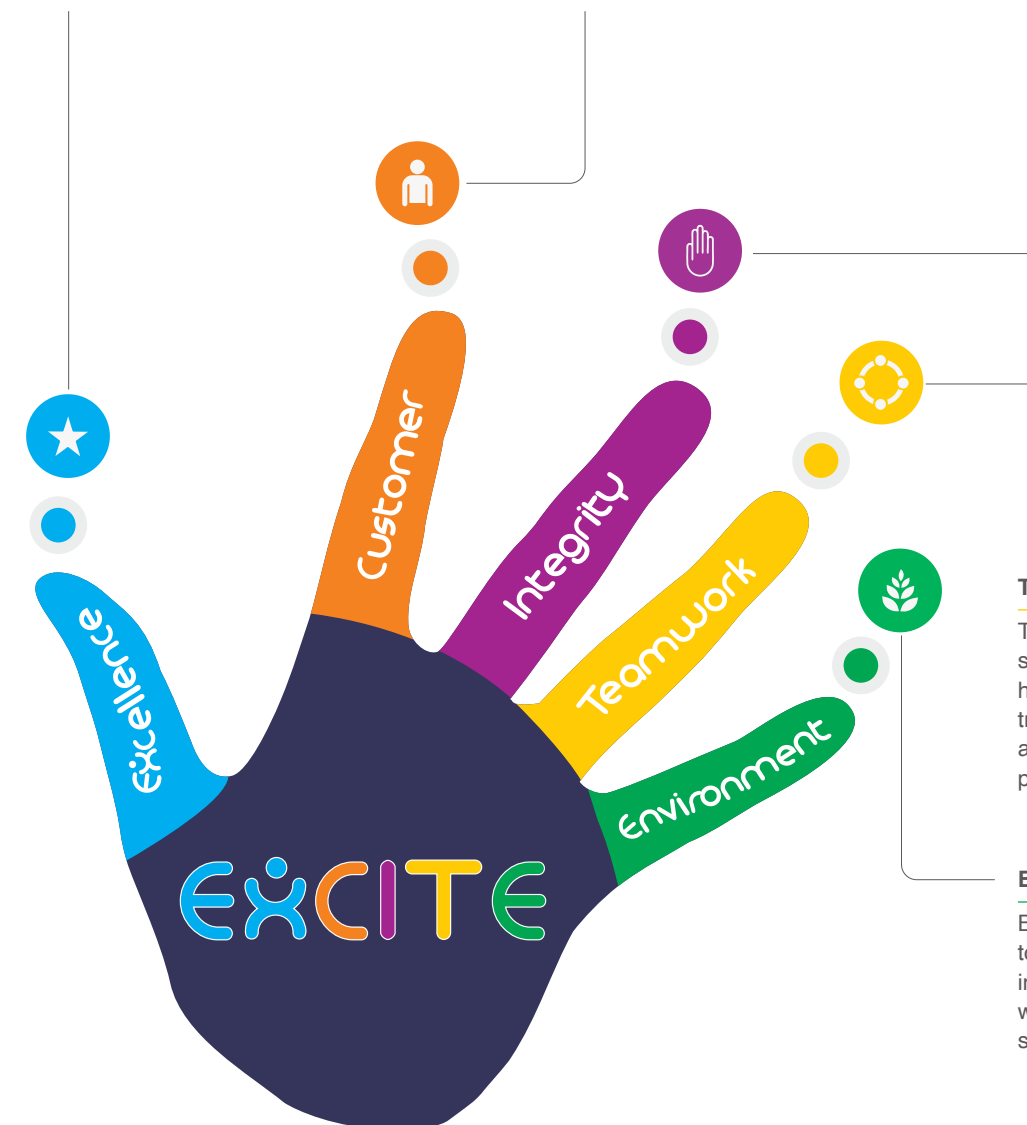
Ensure best-in-class processes and promote a culture of continuous improvement, that encourages commercial acumen which is sustainable, scalable and of highest quality.

### Customer

Be the preferred partner to our customers by delivering highest levels of responsiveness, value creation, ownership and proactive service – Consistently.

### Integrity

Maintain and promote the highest standards of professional conduct and custodianship of external and internal stakeholders interests by being fair, honest and transparent in all actions and decisions.



### Teamwork

Think and work together beyond self, functional boundaries and hierarchies with utmost trust and transparency. Encourage respect and collaboration to build high performing teams.

### Environment

Be responsible and sensitive towards the environment, positively impacting the communities in which we operate. Uphold the highest standards of health and safety.

## Performance review

Particulars	Units	Full Year Ended <sup>2</sup>				
		2018 <sup>4</sup>	2019 <sup>3</sup>	2020	2021	2022
<b>Consolidated Operating Highlights</b>						
Total Towers <sup>5</sup>	Nos	163,162	163,934	169,002	179,225	185,447
Total Co-locations <sup>5</sup>	Nos	367,073	305,824	311,111	322,438	335,791
Average Sharing factor	Times	2.29	2.06	1.85	1.82	1.80
Closing Sharing factor	Times	2.25	1.87	1.84	1.80	1.81
Sharing Revenue per Tower per month	₹	81,538	75,740	78,855	78,345	80,467
Sharing Revenue per Sharing Operator per month	₹	35,329	36,150	41,647	42,357	44,264
<b>Financials</b>						
Revenue <sup>1</sup>	₹ Mn	253,556	252,929	255,624	256,729	277,172
EBITDA <sup>1</sup>	₹ Mn	109,067	100,902	127,239	132,575	149,429
EBIT <sup>1</sup>	₹ Mn	68,783	61,704	73,158	77,575	95,755
Finance Cost (Net)	₹ Mn	2,352	1,619	11,953	14,021	14,973
Profit before Tax	₹ Mn	69,875	62,652	63,982	66,537	84,307
Profit after Tax	₹ Mn	45,149	40,720	50,270	49,751	63,731
Capex	₹ Mn	35,953	30,107	31,764	35,868	29,287
-of Which Maintenance & General Corporate Capex	₹ Mn	8,146	6,814	7,848	7,181	7,987
Operating Free Cash Flow <sup>1</sup>	₹ Mn	72,422	70,119	70,653	71,240	91,620
Adjusted Fund From Operations(AFFO) <sup>1</sup>	₹ Mn	100,921	94,088	94,570	99,927	112,920
Total Capital Employed	₹ Mn	219,659	222,389	348,855	351,671	392,442
Net Debt / (Net Cash) with Lease Liabilities	₹ Mn	8,615	42,242	171,774	192,901	170,937
Net Debt / (Net Cash) without Lease Liabilities	₹ Mn	8,615	42,242	42,499	58,782	28,545
Shareholder's Equity	₹ Mn	211,044	180,147	177,081	158,770	221,505
<b>Key Ratios</b>						
EBITDA Margin <sup>1</sup>	%	43.0%	39.9%	49.8%	51.6%	53.9%
EBIT Margin <sup>1</sup>	%	27.1%	24.4%	28.6%	30.2%	34.5%
Net Profit Margin <sup>1</sup>	%	17.8%	16.1%	19.7%	19.4%	23.0%
Net Debt / (Net Cash) with Lease Liabilities to EBITDA (LTM) <sup>3</sup>	Times	0.08	0.42	1.35	1.46	1.14
Interest Coverage ratio (LTM) <sup>3</sup>	Times	19.77	15.38	10.64	9.46	9.98
Return on Capital Employed Pre Tax (LTM) <sup>3</sup>	%	31.3%	27.9%	21.9%	22.1%	25.7%
Return on Shareholder's Equity Pre Tax (LTM) <sup>3</sup>	%	33.1%	32.0%	37.6%	39.6%	44.3%
Return on Shareholder's Equity Post tax (LTM) <sup>3</sup>	%	21.4%	20.8%	29.6%	29.6%	33.5%
<b>Valuation Indicators</b>						
Market Capitalization <sup>4</sup>	₹ Bn	906	845	431	660	598
Enterprise Value <sup>4</sup>	₹ Bn	915	887	603	853	769
EV / EBITDA <sup>3&amp;4</sup>	Times	8.38	8.79	4.74	6.44	5.15
EPS (Diluted) <sup>4</sup>	₹	16.75	15.11	18.65	18.46	23.66
PE Ratio <sup>4</sup>	Times	20.06	20.74	8.58	13.27	9.39

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income. Further, EBITDA, EBIT and Net margins have been computed on revenue excluding other income.

2. Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to current period classifications.

3. Effective April 1, 2019, the Company adopted Ind AS116 "Leases". The result for the quarter ended June 30, 2019 onwards includes the impact of Ind AS116 hence are not comparable with the past period results for FY 2019. With the adoption of Ind AS 116 definition for Financial KPIs – 'Operating Free Cash Flow' and 'Adjusted Fund From Operations'; Key Ratios – 'Net Debt / (Net Cash) with Lease Liabilities to EBITDA', 'Interest Coverage Ratio', 'Return on Capital Employed Pre Tax', 'Return on Shareholder's Equity Pre Tax / Post Tax' and Valuation Indicators – 'EV/EBITDA' have been revised. Refer Section 11- Glossary for previous and revised definitions.

4. Valuation Indicators for periods prior to year ending March 31, 2021 are revised based on current outstanding share capital to make the data comparable.

5. Reporting of towers & colocations has been changed from notice basis to actual exit basis w.e.f. 1<sup>st</sup> July 2021. During the consolidation phase of the telecom industry, Indus had adopted a conservative approach in December 2018 of reporting exits basis notices received vis-à-vis the earlier method of reporting basis actual exits. Now with the stabilization in the industry and reducing trend of exits, Indus has moved back to the earlier approach of reporting churn based on actual exits to represent actual colocations billed. This has resulted in one-time addition of 3,630 colocations in closing base for the year ending March 31, 2022."

6. Above numbers are based on Proforma unaudited consolidated financial results prepared assuming merger was effective from April 1, 2017 and hence, considered the effect of merger since then as per pooling of interest method in accordance to Appendix C of Ind AS 103. The consideration given to the shareholders, cancellation of Investment of Infratel in erstwhile Indus and recording of assets, liabilities and reserves at carrying value of erstwhile Indus has been considered in these results for all the periods presented. Hence, the results include the combined operation of Infratel and erstwhile Indus on line by line basis and line by line consolidation for its subsidiary and the controlled trust."

# 53.9%

EBIDTA Margin

# ₹ 23.7

EPS

# ₹ 576,713 Mn

Cumulative Investment

# 23.0%

Net Profit Margin

# ₹ 769 Bn

Enterprise value

# 1.14 times

Net Debt/EBITDA

# 25.7%

ROCE

# ₹ 598 Bn

Market capitalization as on March 31, 2022



With connectivity becoming a key economic priority for India, emerging technologies like 5G will reshape opportunities for people and businesses. With this foreseeable growth, the demand for quality network is rising exponentially and the need for a robust wireless telecom ecosystem has never been more critical. Network densification is a key enabler for creating infrastructure that can support 5G. At Indus Towers, while we are putting our best foot forward to cater to the evolving aspirations of India, we believe that our strategic priorities should not only focus on economic progress powered by technology but also on achieving that in a sustainable manner.

## Steering the wheels of India's digital

# TRANSFORMATION

## towards sustainability

A sustainable roadmap can go a long way in steering the wheels of India's digital transformation in the right direction. Being one of the leading providers of digital infrastructure in India, Indus Towers envisions achieving an aspirational position in sustainability. We are cognizant of the fact that telecom is an energy-intensive industry and therefore we have always been a front-runner in building a sustainable digital infrastructure. Sustainability is not just the outcome of our operational efficiencies, but it is integrated across our value chain. Our business model is inherently green, leaving a positive impact on the environment as we encourage infrastructure-sharing by

hosting the equipment of multiple telecom operators on our tower sites. Our colocation model reduces the need for duplicate infrastructure and significantly lowers our environmental impact. To ensure optimal utilization of resources we are building leaner towers, encouraging energy-efficient practices, and abiding by a sustainable landscape accretion process.

We cherish shared excellence. Our commitment to sustainability and consequential initiatives have amplified the efficient use of infrastructure and resources (including energy and space), thus enabling the operators to maximise

value of their investments on their core business equipment and services, expand their coverage, reduce their environmental footprint, and deepen their network reliability. The ultimate result is affordable, reliable, and enhanced uptime coverage- A more connected and sustainable India.

### Pursuing excellence and generating shared value

#### Infrastructure-Sharing

- Enabling hosting of multiple telecom equipments
- Reducing the need for duplicate infrastructure

#### For Telecom Operators

- Expansion in coverage
- Reduced environmental footprint
- Enhanced network reliability

#### For end user

Affordable, reliable, and enhanced uptime coverage.

#### Conscious utilization of resources

- Building leaner towers
- Encouraging energy-efficient practices
- Sustainable landscape accretion

## Creating a sustainable world for all



“For an organization whose planning and business cycles span over a decade, consideration of long-term sustainability is crucial. The essential ESG ideas serve as the underlying economic, ethical, and cultural precepts that steer the Company in many ways. For us at Indus Towers, ESG is not merely a “good to have”. Our ESG strategy which serves as the foundation for a number of things, including long-term financial performance, employee engagement, environmental sustainability, and corporate citizenship. We encourage social and economic development in our communities in addition to enabling digital connectivity. I am happy to report that in FY 2021-22, we continued to add value for our stakeholders and made progress towards our ESG priorities.”



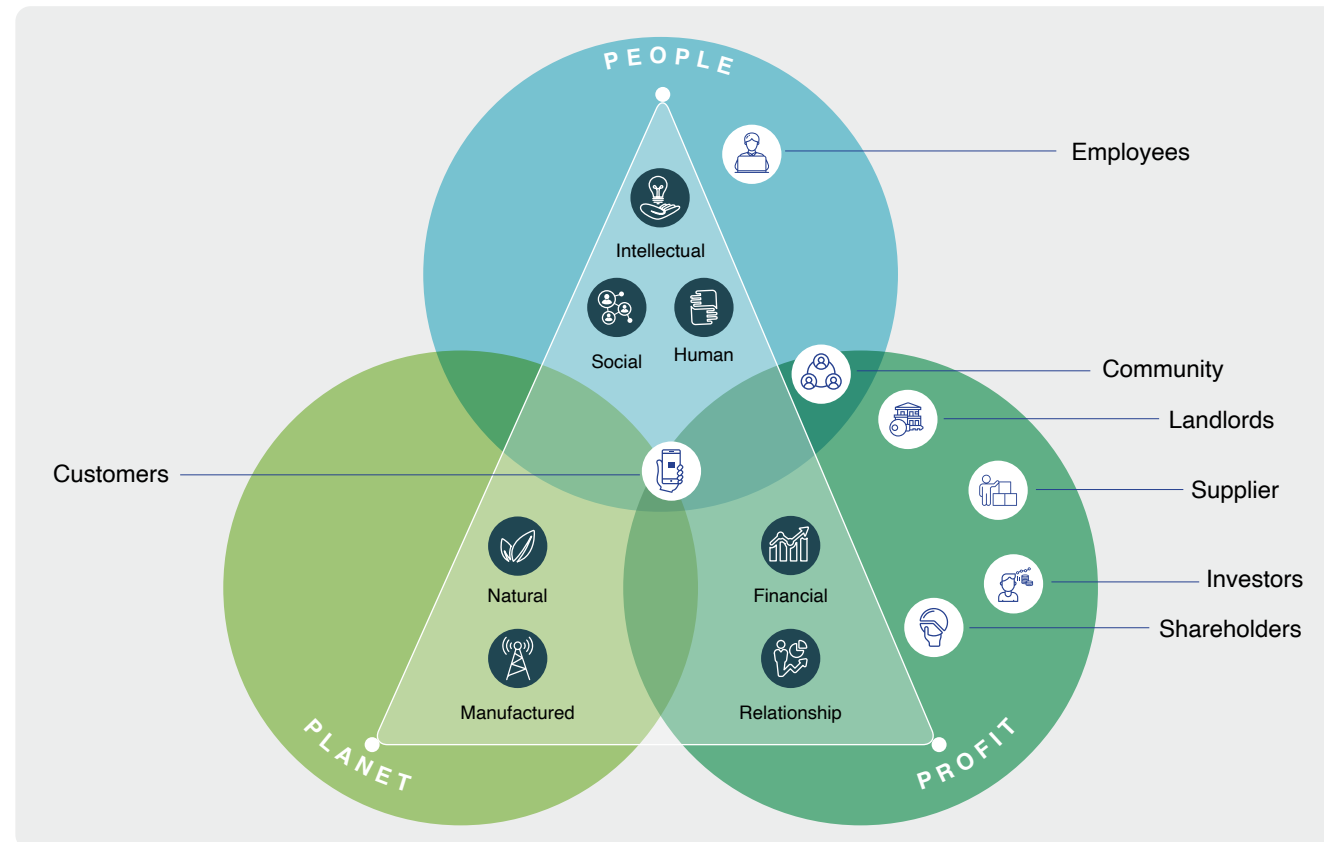
# Triple Bottom Line Paradigm

With the mounting pressure of climate change on our planet and a consequential surge in existential challenges, Indus Towers aims to play a pivotal role in addressing the material issues in its operations and contributing its bit towards the people and planet while maintaining the bottom line.

The foundation of Indus Towers' success has been creating value for the stakeholders. Despite the externalities, we continue to uphold stakeholders' confidence, which is driven by our value drivers of people, planet, and profit. We are steered by our goal of creating comprehensive value, whether it is

through the way we care for our people, give back to communities through our social activities, or pursue target-driven environmental positive projects. The little steps we take enable us to transition towards stakeholder capitalism, focused on balancing the needs of everyone associated with us.

As an organisation, we place a high premium on creating value for our stakeholders, businesses, and the communities in which we operate. We believe in the interconnectivity and interlinkages in everything that we do. The capitals that we have reported further in the report are also interlinked and intertwined with each other.

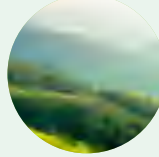

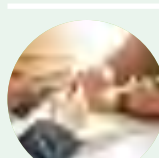


The post-pandemic era has shown that businesses with resilient ways of working have marched ahead of their industry peers. Our biggest learning from the changing landscape is that we take control and keep re-inventing ourselves in a more resilient, agile and de-layered manner. We have made our operations extremely sentient to adapt to all the externalities that surrounds the business. The global vision for a sustainable world is summed up by the need for the highest standards of environmental, social and governance (ESG) criteria.

Our ESG Vision has an unwavering focus on exemplary governance, strengthening communities and environmental accountability. As an early proponent of responsible business, we have readily integrated sustainability into our strategy. ESG is the watermark that runs through our organization from enabling people to bring a positive change to fostering meaningful relationships with our stakeholders.

Our ESG Vision encompasses 3 crucial elements we all stand by - nurturing Environmental Stewardship, being Socially Responsible and having a Robust Governance. The nation is taking significant steps to combat the mounting pressure of climate change and we aim to stand together and pioneer by building a sustainable and eco-friendly digital infrastructure. On the social front, we monitor our public confidence on community engagements and aim towards strengthening our communities and bringing positive outcomes through our endeavors. We strive to strengthen our people culture with continued commitment to our values, people engagement, well-being and diversity. All these efforts we are putting towards building a future ready Indus, are chaired by our robust governance.

## ESG vision

- 
**Environmental Stewardship**  
 Securing future by creating a sustainable and eco-friendly digital infrastructure
- 
**Socially Responsible**  
 Building human capital and strengthening communities
- 
**Robust Governance**  
 Making our operations resilient and responsible



Reinforcing our

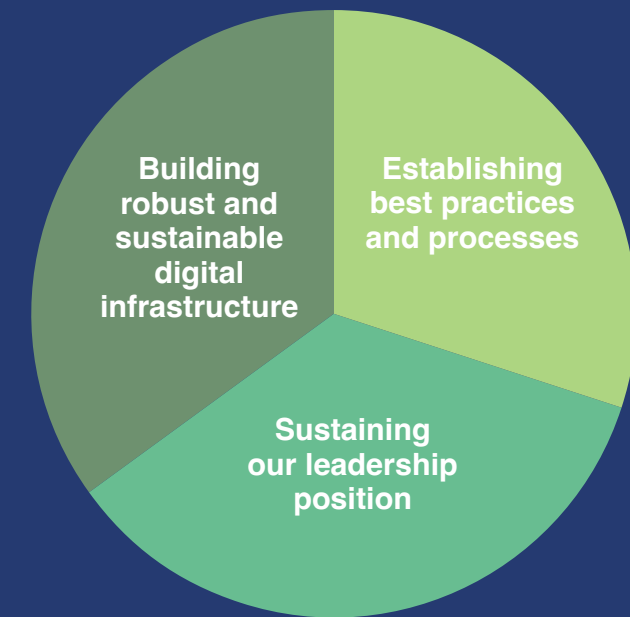
# SUSTAINABILITY

priorities..



Leveraging the achievements of today we are committed to creating a better tomorrow. Our comprehensive infrastructure and resource deployment, operational experience, people excellence, supported by a strong balance sheet, well-developed processes, systems, and IT infrastructure have enabled us to establish our dominance in the digital infrastructure space. We firmly believe that to sustain a leadership position is more challenging than to attain. With this philosophy, we have and will always continue to invest across various capitals and integrate sustainable practices across the organization. Our positioning of Build, Establish

and Sustain is ingrained in our growth strategy and is enabling us to achieve our aspiration of a “Digital India”





# Building Robust and Sustainable Digital Infrastructure

More than just being a network infrastructure player, we strive to be an enabler of connectivity. We believe that our network infrastructure inherently remains a key aspect in building a digital India. Our holistic tower infrastructure model (from ownership, deployment and management) supports our customers with their network coverage plans. Our robust portfolio of towers, owned and operated in accordance with long-term lease arrangements, helps in delivering seamless infrastructure solutions across geographies – with ease and efficiency. With the inherent benefit of shared co-location business model and on the strength of our people, we have always introduced distinct Industry-first initiatives. We will take constant steps to further strengthen our infrastructure and march towards being a Green Entity.

## Glimpses of some Industry-first initiatives

### Manufacturing Capital

#### Pan India Presence

First tower company to have presence across all the 22 circles

#### Connecting the unconnected

Under the USOF, Indus is the only passive infrastructure Company to enable connectivity in Northeastern states

#### Our Rajasthan warehouse is India's first Titanium accredited Warehouse

### Intellectual Capital

Our new Tower Operation Centre is the Biggest Operations centre in the Network Operations Center (NOC) industry, managing 200+ Operations Support Systems under one roof

**iMapp** (Indus Mobile application) was the **first-of-its-kind technology** in the tower Industry to aid the on-field deployment, site acquisition, operations and Maintenance team with geospatial tracking and site-specific information.

**Leading player in smart city** development under PPP initiative Built and operate 4 smart cities and Gurugram Metropolitan Development Authority (GMDA)

### Natural Capital

**78,667**  
Green Sites\*

In 2011, we became the **first company** to introduce **Green Sites and Green Cities**

**Natural Cooling Units (NCU)** Deployed as part of our SHUT AC program reducing energy consumption by AC is a **first-of-a-kind solution** to have been **implemented in the telecom industry across the world.**

Read more about our Infrastructure and Sustainable practices in Manufactured Capital, Natural Capital, Intellectual Capital and Human Capital of this report.

\*A green site has diesel consumption of <100 liters per quarter

# Establishing best corporate governance, people practices and processes

Indus Towers believes that adopting best practices and the highest level of corporate governance is the cornerstone for building a future-ready organization that guarantees sustainable growth. Our corporate governance framework mirrors our value system, encompassing our culture, policies, and relationships with our stakeholders.

Our leading practices and processes have furthered our growth manifolds. At Indus Towers, we understand the

value of achieving the ultimate comes from having industry best practices and continually enhancing the processes. Our evolution as pioneers is a testament of our drive to constantly establish the leading practices.

This entire gamut of practices and processes is led by our senior leadership who is committed to being the best in the industry and sustain our position by hiring the best talent. We strive to strengthen our people culture with

continued commitment to our values, people engagement, well-being and talent transformation.

We have the opportunity to transform India into a global leader in the digital infrastructure space and we continue to evolve our policies, practices, processes and systems to realize these opportunities.

## A glimpse of some of our established practices

### Governance

Bringing the interest of stakeholders to the fore through our diverse Board led by independent Chairman

Engaging with stakeholders to retain their trust

Integrating ESG priorities across organization

Pioneers in adopting 'forward-looking' governance practices

### Intellectual Capital

First service sector company to win the most coveted **'Deming Prize 2018'**

Initiatives such as Indus Idea Incubator, Routine Work Management and Process Refresh Framework have solidified our processes and solutions

### Human Capital



Best place to work – 9<sup>th</sup> time consecutively

**4.62**  
out of 5, Employee Engagement Index

**iAppreciate**  
~63K awards within 9 months of launch, culture of appreciation

Read more about our Corporate Governance, processes and practices in Intellectual Capital and people practices in Human Capital of this report.

# Sustaining our leadership position

Indus Towers has long sustained its position in the industry owing to its strong operational strength, a time-tested business model, excellent infrastructure, a suite of tailored business solutions, massive product portfolio and diverse leadership. We work collaboratively with our customers and suppliers to deliver a best-in-class service that is transforming the digital landscape of the country.

5G is the next big revolution in the digital landscape. The increased speed and capacity would mean much more than the increased ability to handle the ever-increasing data requirements. It also means support for stimulation in the opportunities that will power smart cities, smart businesses, smart agriculture, and more. Indus Towers has time and again established its position as the pioneers

in the digital revolution in India. With an aim to sustain our leadership position and committed to our purpose of building a more connected India, we are confident about our competency of building a 5G infrastructure across the length and breadth of the country.

## How we do it

# We leverage our strengths and resources...

### Knowhow

Our deep domain expertise of more than 15 years leads to better management of assets

### Preferred Partner of Choice

Strong stakeholder relationship

### Healthy Balance sheet

Our robust balance sheet and improved performance will enable us to deploy our resources for wider network infrastructure roll-out

### Our Mission

is aligned with India's Digital Aspiration

### Robust Digital infrastructure

to unlock next level growth

### Social-Economic Benefit

Optimum tower installations and shared co-locations results in lesser resource consumption

### Inclusive business model

Co-creates value for all Stakeholders

### Economies of Scale

Prudent capital allocation with centralized planning and operation of asset

### Project Management

Diversified field force and expertise in distributed operations and long scale project management

### Technology Competence

Among the largest players to rollout technologies like 4G, small cell, smart cities, lean sites and IBS etc.





# UNITED

through all turns and turmoils -

**One nation, One infrastructure – a united Indus Towers**

Outstanding corporate responsibility requires a resilient foundation, consistent performance and constant growth that can steer us through major challenges and bring about the desired results.

Our people practices, Unified Values Framework and Vision and Mission allowed us to navigate well during our merger without disrupting the flow of operations and our offerings.

While this merger made the combined entity the largest tower company in the world outside China, it was only inevitable that such a large-scale integration would have its own challenges. Bringing both the organizations on a single platform and transitioning to handle the combined operations smoothly became one of the most critical tasks of this integration. In order to integrate our procedures and introduce consistent working practises, we had set an aggressive target of six months. Our users embraced the new platforms quickly and noticed advantages in digitization, which helped to lower the amount of manual labour required throughout the business. The project's speedy completion and the ensuing support offered, earned a lot of positive feedback.

The ongoing pandemic and the fact that the world was still healing from the horrifying second wave were the other significant difficulties we faced. Despite this, project was conceived and executed with everyone coming together to handle different streams of activities, and it was successfully completed ahead of our anticipated deadline.

As we celebrated our successful integration, we embarked on a journey to co-create the vision and mission for the merged entity since we believe that each voice in the organization matters and is equally important. 3,400 employees contributing to 31,000+ man hours participated to come up with our unified Vision, Mission & Value framework.

**We have established ourselves as catalyst to India's Digital Revolution. The merger during the midst of pandemic did not deter us from building and retaining our excellent stakeholder relations. The success of our company was driven by our in-house expertise while also assuring a minimal environmental footprint. We are proud to navigate seamlessly through the challenges that the last few years brought in and **build, establish and sustain ourselves as ONE POWERFUL ENTITY** resilient in the face of challenges.**

Despite onset of COVID-19 in early 2020 which brought in a drastic change in the lives and livelihood of the people all across the globe, Indus Towers stood united as an organization connecting the entire nation at the time of disconnect. While the world was going into a shelter and people were losing touch, our efforts went into connecting them through our resilient ecosystem. With the world slowly recovering from the pandemic's aftermath, our infrastructure is still the backbone of this transition as hybrid working has become the new norm.

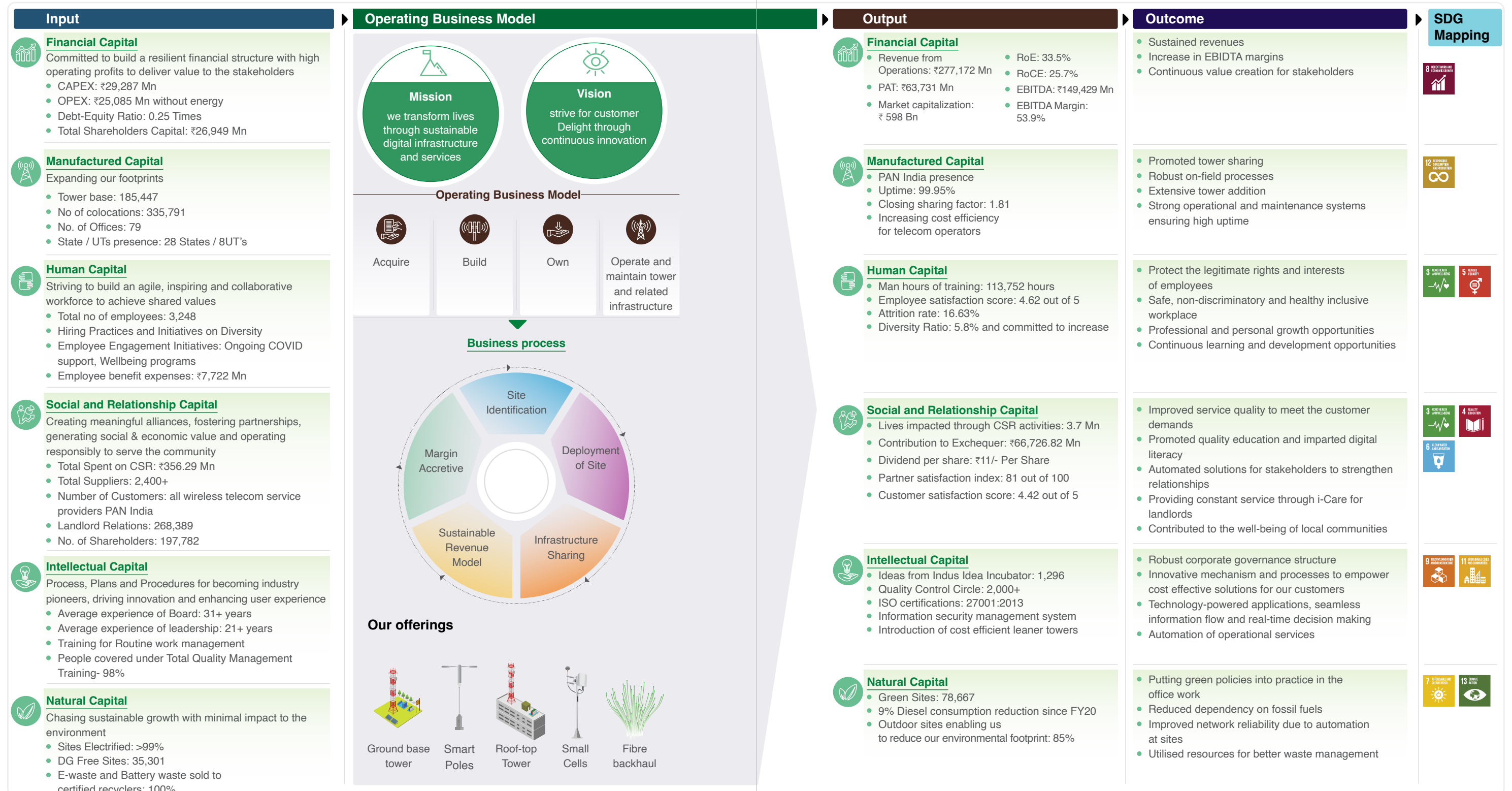
In such heavily guarded geographical conditions that was never witnessed before, our role was pivotal. We filled the gap for the need of digital connectivity. Indus Towers' business model perfectly supported this change and brought in an ecosystem for addressing the need of uninterrupted connection. Our superior network infrastructure for telecom operators connected millions from all over the nation.

**Our teams worked efficiently and effectively to provide uninterrupted service. Our infrastructure became the steering wheel of the nation and Indus Towers yet again proved to be a pioneer in delivering the best to its customers.**





# Business Model










# Stakeholder engagement and materiality assessment

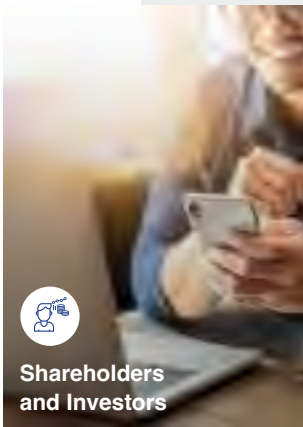


## An iterative process for enhancing long-term value for all...

The growth and success of Indus Towers is a testament to its perseverance, resilience, and ability to evolve with the dynamic needs of its stakeholders. Our ability to create shared value depends on direct and frequent engagement with our broad spectrum of stakeholders. Stakeholder perspectives and feedback help improve the relevance and effectiveness of the services we offer and the initiatives we take. Our Stakeholder engagement also helps us to manage risk and opportunities in our operations.

We encourage a clear and transparent two-way communication with our stakeholders. Regular dialogues with each of our stakeholders help us develop a better perspective of matters that are material to them thus enabling us to act on our strategic priorities with precision. We are cognizant of the fact that priorities differ for each stakeholder group, therefore, we have a tailored approach for each group and we focus on maintaining an enduring relationship with all.

Stakeholder Group	Why are these stakeholders important to us	Key Priorities	Mode of Engagement	Capital Linkage
 Customers	Our customers are the foundation of our sustainability and long-term success. Customer Delight remains at the center of everything we do. We in turn are integral to their business as they are largely dependent on our services to reach the market on time	<ul style="list-style-type: none"> <li>High uptime</li> <li>Operation efficiency</li> <li>Immediate resumption of service in case of a breakdown due to calamities</li> <li>Innovative and sustainable solutions</li> </ul>	<ul style="list-style-type: none"> <li>Regular Governance meeting</li> <li>Annual customer satisfaction surveys</li> </ul>	 Relationship Capital   Financial Capital
 Employees	Our employees are valuable assets and fundamental to our sustained growth. They play a crucial role in strengthening our competitiveness and reaffirming our market leadership	<ul style="list-style-type: none"> <li>Employee benefits</li> <li>Safe working environment</li> <li>Career progression</li> <li>Equal opportunities and treatment</li> </ul>	<ul style="list-style-type: none"> <li>Townhalls and Rewards &amp; Recognition</li> <li>Trainings &amp; Development</li> <li>Employee Connect &amp; Wellness Initiatives</li> <li>Employee engagement surveys</li> <li>Communication through emails and letters</li> </ul>	 Human Capital
 Government	Constructive relationships with the government are critical to our business continuity. We monitor regulatory developments and policies closely, thereby participating in progressive discussions	<ul style="list-style-type: none"> <li>Compliance</li> <li>Adherence to environmental laws</li> <li>Interest of minority shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings on any major developments / reforms pertaining to the industry</li> <li>Submission of quarterly, half-yearly and annual compliance reports</li> <li>Direct engagement with authorities at regional levels</li> </ul>	 Relationship capital



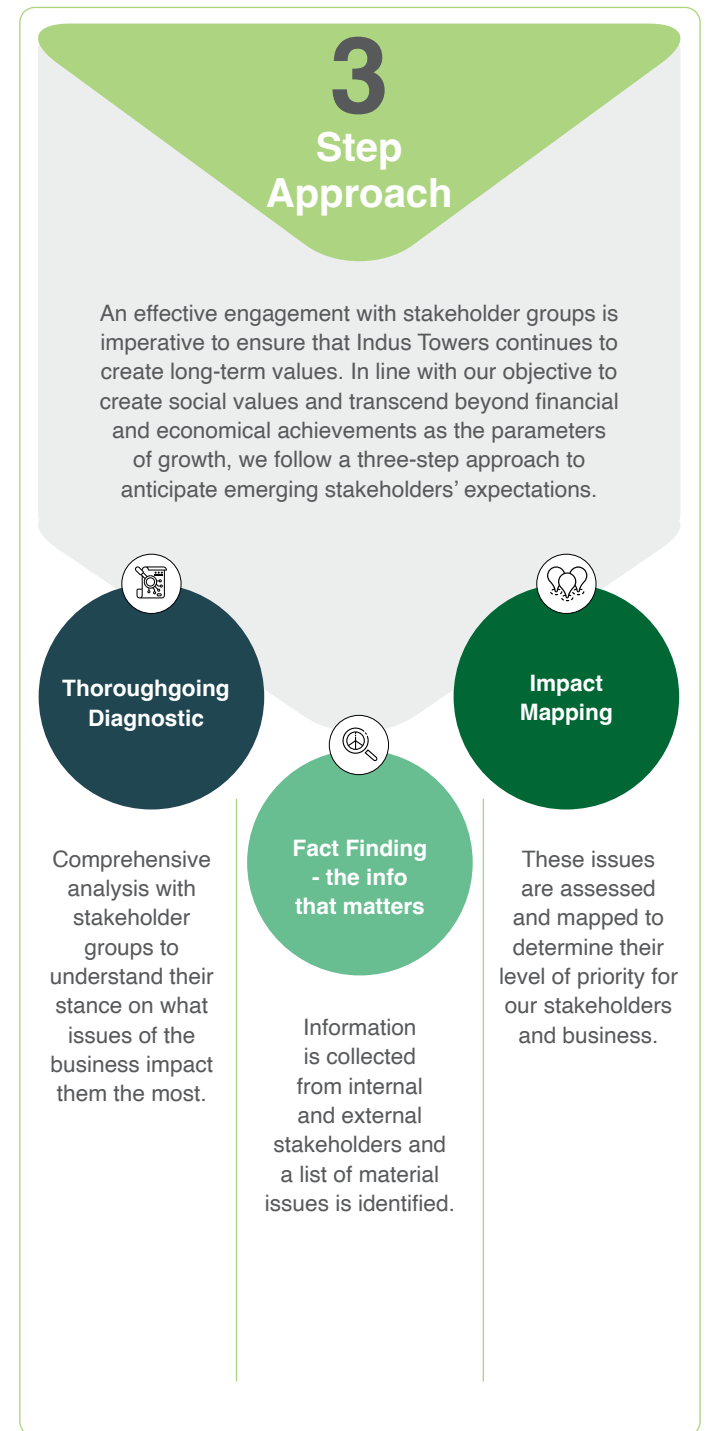
Stakeholder Group	Why are these stakeholders important to us	Key Priorities	Mode of Engagement	Capital Linkage
 <p><b>Shareholders and Investors</b></p>	<p>Our investors play a vital role in our success and growth story. They provide the capital essential to run our business</p>	<ul style="list-style-type: none"> <li>High Return on Investments</li> <li>Transparent disclosure practices for them to take informed investment decisions</li> <li>Capital allocation</li> </ul>	<ul style="list-style-type: none"> <li>Investor meetings</li> <li>Conferences</li> <li>Annual and Quarterly reports</li> <li>Annual General Meeting</li> <li>Website updates</li> <li>Stock Exchange releases</li> </ul>	<ul style="list-style-type: none"> <li>Relationship Capital</li> <li>Financial Capital</li> </ul>
 <p><b>Community</b></p>	<p>Empowering the lives of people within the communities in which we operate remains fundamental to our business sustainability. We continue to strengthen our relationships with the communities and transform their lives through various upliftment programs and initiatives</p>	<ul style="list-style-type: none"> <li>Contribution to society</li> <li>Provide opportunities for self-sustenance and empowerment</li> <li>Empower livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>Engage regularly with community representatives</li> <li>Participate in conference, round-table and summits to widen the reach</li> </ul>	<ul style="list-style-type: none"> <li>Social and Relationship Capital</li> </ul>
 <p><b>Suppliers, Partners and Landlords</b></p>	<p>We partner with our suppliers and landlords to ensure an effective and efficient procurement process and site acquisition for seamless business operations</p> <p>Our partners are community members who provide site upkeep and maintenance. They are an integral part of our business, and ensuring their health and safety is a priority for us</p>	<ul style="list-style-type: none"> <li>Reliable payment schedules</li> <li>Timely redressal of any queries</li> <li>Long-term partnerships</li> <li>Zero incidents</li> </ul>	<ul style="list-style-type: none"> <li>Continuous engagements through written mediums (email) as well as workshops</li> <li>Supplier audits and visits</li> <li>Annual partner meetings</li> </ul>	<ul style="list-style-type: none"> <li>Relationship Capital</li> <li>Manufactured Capital</li> </ul>

Materiality Assessment

# We believe we must measure first to manage better.

We believe that a well-structured materiality analysis is the starting point for coherent sustainability management. It helps identify the strategic focus areas, define suitable goals and KPIs, and set the framework for internal and external communication.

In this direction, to further strengthen our stakeholder relationships and understand their expectations, during the year we undertook a materiality analysis. This helped us understand our stakeholders' perspective on various ESG issues, their priorities, and in the context of our business, the issues that impact them the most. Through this exercise, 21 issues were identified. To have a more structured approach towards the key issues, the issues of similar nature were clubbed and 13 key thematic material issues as represented below in the calibration of results were arrived at. This exercise was done with and will be practiced ahead with an intent to remain more connected with our stakeholders and to be aware of the issues that matter to them and our business.





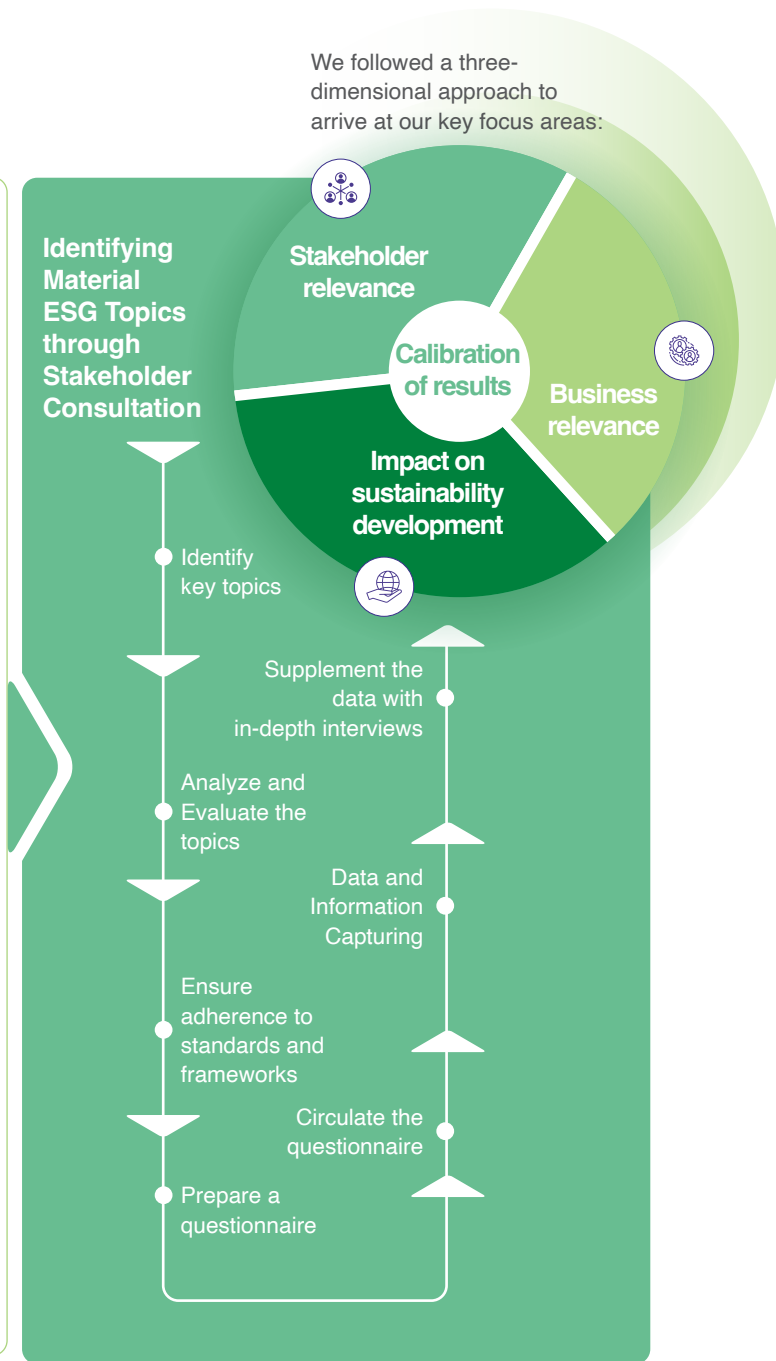
### Materiality Assessment Methodology backed by Stakeholder Engagement

#### A detailed assessment of our 3-step methodology is presented below that was used for assessing material issues -

- Identifying the universe of relevant ESG topics - This was done basis discussions with internal stakeholders, peer review and benchmarking, sector scans, media reports and secondary sources that provided a pool of sustainability topics. These were further analyzed and evaluated for consideration at a strategic level. Adherence to crucial issues as per different standards and frameworks was also ensured.
- Detailing the stakeholder engagement methodology: We had sent detailed questionnaires to various stakeholder groups that were identified. Our external stakeholders included Customers, Shareholders and Vendors/Suppliers. Our internal stakeholders consisted of our employees and management team.
 

While for other stakeholders we have done a desktop research to incorporate their priorities.
- Data collection: We used online surveys to collect data and information from stakeholders to prioritize the list of identified ESG topics.
 

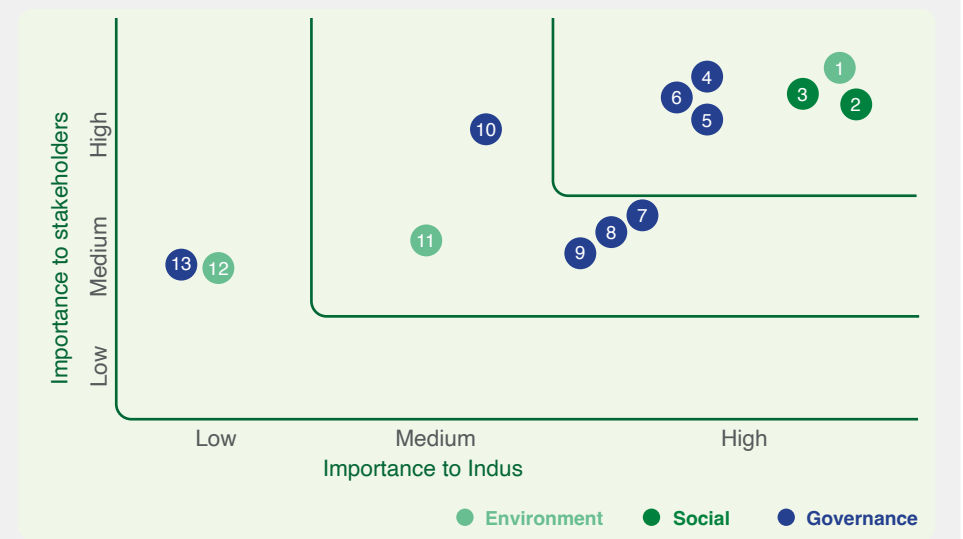
Diverse responses were captured to understand the length and breadth of all possible issues. The designing of the questionnaire was done with the objective of bringing out the key issues, risks and opportunities from the stakeholders' point of view and then map it for the material issues. In addition to the survey, we conducted in-depth discussions with a subset of stakeholders to gain a comprehensive understanding of their primary concerns.
- Discussion with management team, ESG Committee and the Board: the outcome of the exercise was discussed with the leadership to arrive at the key focus areas keeping in view, their relevance to stakeholders and business, as well as their impact on sustainability development.



We followed a three-dimensional approach to arrive at our key focus areas:

## Key Material Issues

The information collected from internal and external stakeholders was analyzed and the key material issues were grouped into 13 core thematic areas. These issues were assessed and mapped to determine their level of priority for our stakeholders and business.



High	Medium	Low
1. GHG Emissions 2. People Practices 3. Health and Safety 4. Governance 5. Technology and Innovation 6. Regulatory Environment	7. Network Reliability 8. Risk Management 9. Transparency 10. Sustainable Sourcing 11. Waste Management	12. Water Management 13. Data & Cyber Security*
<b>Environment</b> GHG Emissions • GHG Emissions • Energy management • Opportunities in Clean Tech Waste Management Water Management	<b>Social</b> People Practices • Labour Practices • Human Capital Development Health & Safety Technology and Innovation	<b>Governance</b> Governance • Board Structure and management Network reliability Code of conduct • Transparency Data and Cyber Security Regulatory Environment • Regulatory Uncertainty • Policy Influence Risk management Sustainable Sourcing • Supply Chain Labour Standards • Supplier Relationship Management • Sustainable Sourcing

\*Given the nature of business, data security has not come out as a material concern

# Governance at Indus Towers

At Indus Towers, Corporate Governance is beyond just a set of processes and compliances. For us, effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Our philosophy of Governance is driven by our Values and our goal to preserve and enhance long term value for all our stakeholders. We adhere to the highest standards of governance and continually benchmark our ourselves to the global best practices.

Our value creation and stakeholder trust are built on our integrity, transparency, business conduct and upholding the highest ethical standards. We have in place a robust governance structure, strong monitoring mechanism, well defined Code of Conduct, effective risk management framework and sound policies and processes to ensure that we grow responsibly and retain our stakeholder's trust.

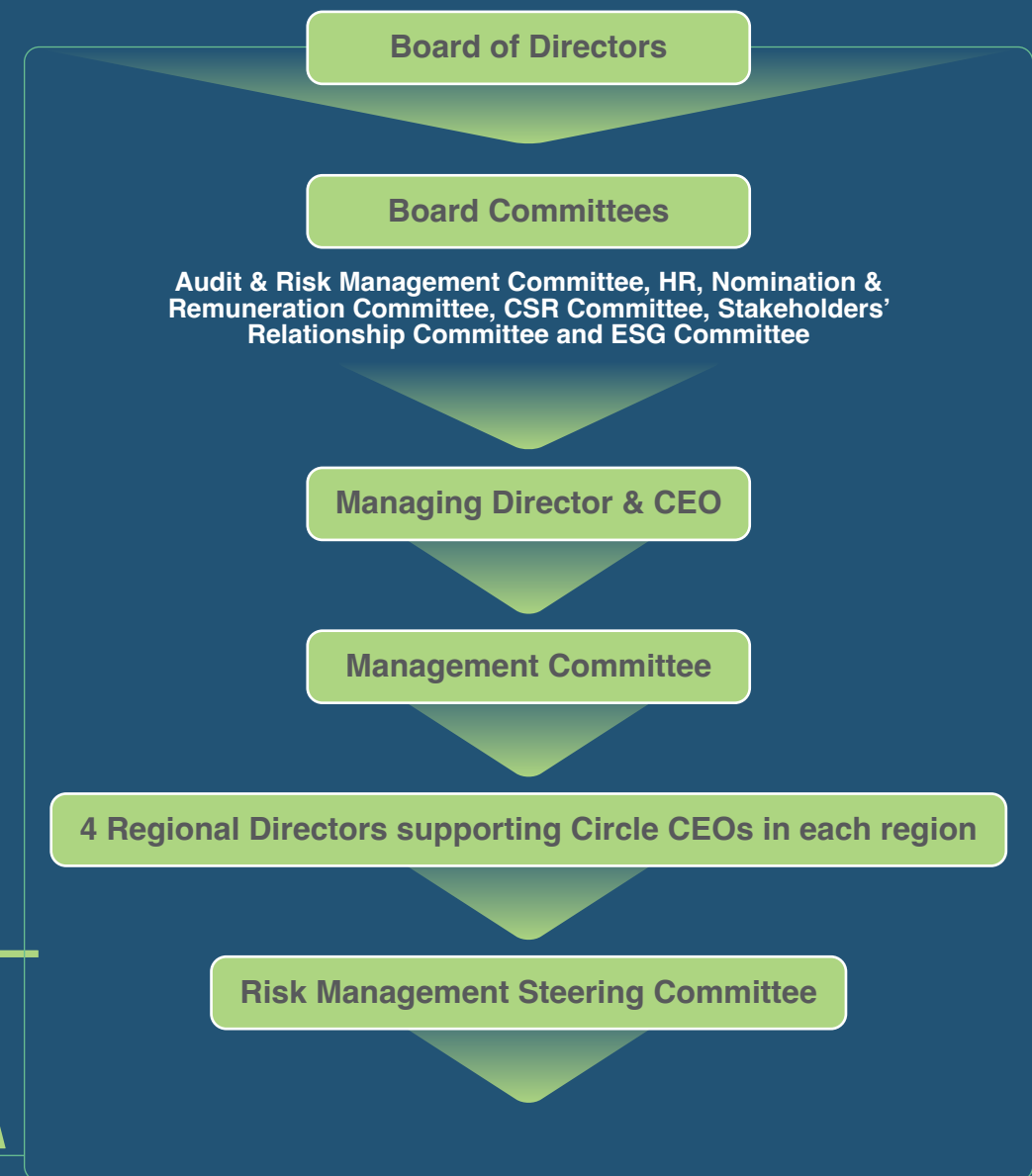
## Robust Governance Structure

The Corporate Governance structure of our Company is multi-tiered, comprising different governing and functional bodies at various levels. There are interdependencies between all these bodies to ensure a cyclic approach.

Our diverse Board guides, oversees, monitors and governs our entire suite of business solutions through its various committees who act as custodians of protecting the interests of all stakeholders. Our Management Committee (M-Comm) owns and drives company-wide processes, systems and policies to ensure that operational synergies are achieved. The M-Comm also functions as a role model for leadership development and acts as a catalyst for imbuing Customer Centricity and culture of Integrity in the Company.



Our entire business agenda is driven by our strong governance structure which sets our diverse pool of decision makers.

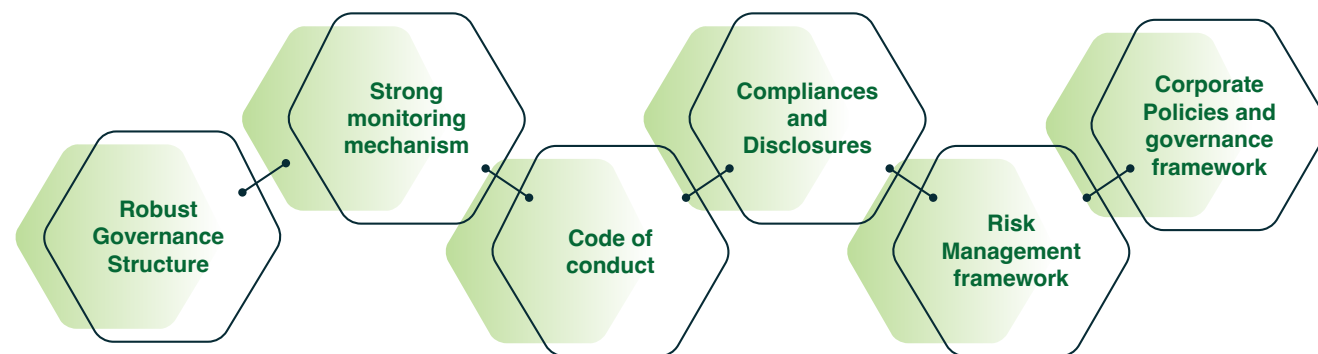


As we work relentlessly towards our mission of a sustainable future, our Board and Management underscore the importance of ESG priorities. Our focus and efforts on ESG have intensified over the years and there is a shift in our approach from “Good intentions” to “Chasing Positive Outcomes”.

To facilitate this momentum and integrate sustainability in our strategy and Company-wide operations, we have set up a governance structure to keep ESG at the core of all that we do.



**Governance Pillars**



**Strong monitoring mechanism**

We have robust internal systems and processes in place for the smooth conduct of our businesses. We have deployed a robust system of internal controls that facilitates accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investors’ interest by ensuring the highest level of governance and periodic communication with investors. Our internal control systems are regularly checked by both external and internal auditors, who have access to all records and information about our Company. The Board and the Management review the findings and recommendations of the auditors and take corrective actions wherever necessary. The Audit & Risk Management Committee and Board reviews the effectiveness of the internal control system across the Company.

**Code of conduct**

We have a well-defined Code of Conduct that serves as a guiding tool to align our organizational culture with individual conduct. The Code integrates our values into day-to-day business conduct as we engage with customers, business partners and each other. The Code spells out our commitment to the highest standards of conduct. The underlying philosophy of the Code is that we deliver on what we

commit. The code is universally applicable to associates, consultants, agents, independent business partners apart from our employees and the Board.

We have fair mechanisms to report any grievances by employees and the business partners. Clear independent procedures have been laid down to address instances of violation. Indus Towers protects the interests of the complainants and totally disregards retaliation for raising such concerns.

**Compliances and Disclosures**

While the telecommunications market has been growing fast, there has also been parallel significant sustainability led demands and developments sprouting in the industry. These developments encompass both voluntary and involuntary disclosures along with the mandatory compliances.

This pool of compliances and disclosures is monitored by an overarching governance platform. Specific compliance categories are mapped to functions and individuals; and relevant trainings and certifications ensure that employees and functionaries understand the risks and the required compliances.

Our consistent, impartial, easy to decipher and complete collection and preparation of the results, adherence to all regulatory and

statutory compliances and preservation of stakeholder interests prepare us to report on appropriate disclosures.

We take cognizance of the changing business environment which is reflected in the growing prevalence of our transparent and timely reporting and disclosures.

**Risk Management framework**

Our risk identification and mitigation framework identify significant economic, environmental, social and governance risks that can alter our decision making. These risks have the potential of impacting our ability to create long term value therefore it is extremely crucial to be aware of the external scenario, map potential risks and prioritize relevant actions to mitigate them.

We consider Risk Management and internal controls monitoring critical to effective corporate governance and growth of long-term business. To maintain a proactive and focused approach to risk management, an Enterprise-wide Risk Management (ERM) framework has been designed.

Our Risk Management Policy lays broad guidelines for identifying and prioritising risks that can affect the Company in the near future, as well as taking appropriate actions to minimise such risks. Our robust governance structure manages the risks at all levels in the organization.





**Corporate Policies and governance framework**

Our guiding principles and practices for good corporate governance are documented as Corporate Policies. These policies act as a guiding tool approved by the Board, to set out procedures for successful management. The focus of these policies is on strengthening stakeholder relationship, building trust and transparency and establishing business practices and standards.

Some of the major policies at Indus Towers Limited include-



The policies can be accessed at the website of the Company at [www.industowers.com](http://www.industowers.com)

**Conflict of interests**

Given the business model and inherent structure of the industry in which the Company operates, the Company works closely with related parties and enters into various operational transactions with them, from time to time, in the ordinary course of business and on arm's length basis.

The Company provides passive infrastructure services to the leading telecom operators of the Country, two of them being related parties to the Company. With consolidation in the telecom industry and customer concentration, these transactions are critical and unavoidable for the growth of the Company and solving India's Digital Connectivity Need. The Company takes cognizance of all these factors and has a stringent process in place to avoid conflict of interests.

We have a structured governance process to regulate the transactions undertaken with related parties and have a well-defined policy on Related Party Transactions. The most important factor is that the transaction should be in the interest of the Company and are approved only by the Independent Directors of the Audit & Risk Management Committee. For each related party transaction, an ALP certificate is received where the Company obtains a

certificate from leading Independent global valuation or accounting firm confirming that the proposed pricing mechanism for a particular transaction meets the arm's length criteria. The directors consider this certification and conduct a review before granting approval to any related party transaction.

In addition, the Independent Directors of Audit Committee are provided with appropriate details about the transaction for them to take an informed decision. We also take approval of shareholders for the transactions where the value exceeds prescribed thresholds. Appropriate reporting and disclosures are done to the Audit Committee on quarterly basis and to the Stock Exchanges.

*Read more about our Governance practices in Risk Management section on page 36, Materiality & Stakeholder Engagement on page 24, and Report on Corporate Governance on page 222.*

Indus Towers complies with the mandatory requirements and also goes well beyond the needed. We have established ourselves as pioneers by voluntarily adopting forward-looking practices much before the same were mandated under the law.



**Going above and beyond our Board practices**

- **Independent Chair**  
Post-merger, the Board is led by an independent chair
- **Separate posts of Chairman and Managing Director & CEO**  
Since 2008, the positions of the Chairman of the Board and the Managing Director & CEO of the Company are held by separate individuals. Since 2014, the Company had a non-promoter Chairman.
- **Minimum 4 meetings of independent directors each year against 1 meeting mandated under law**  
Our independent directors meet and form an independent view on the agenda matters and key issues before the full Board meets.
- **Diversity at the Board**  
At present, we have two women independent directors. Since 2012, we had woman independent director on the Board.

**Our disclosure practices**

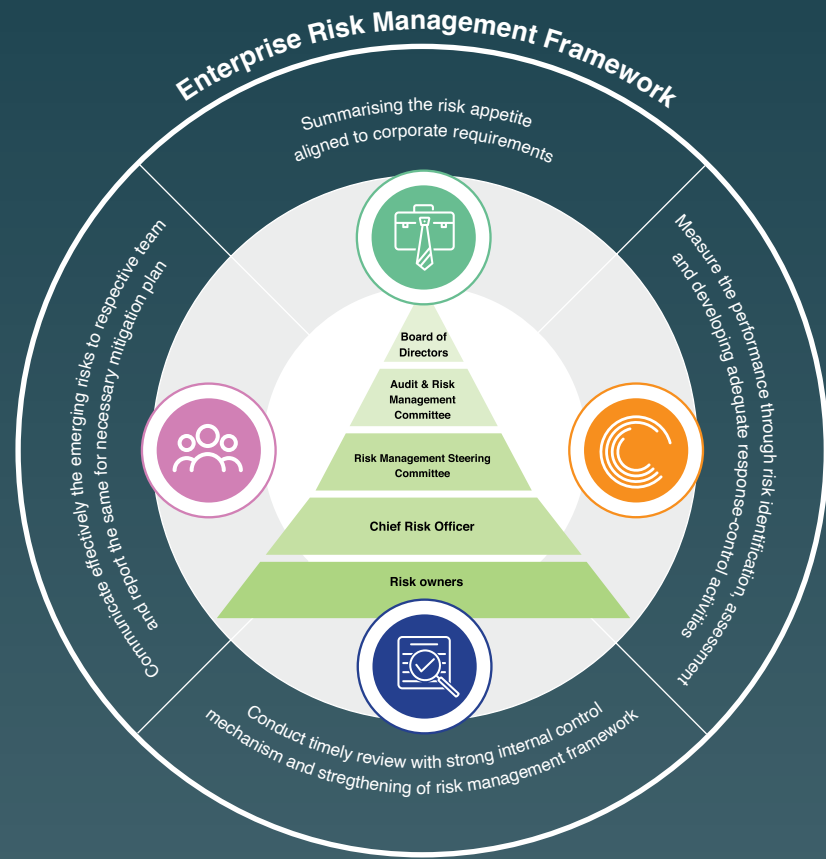
- Quarterly audited financial reporting in line with global standards
- Quarterly Report – Financial and Non-Financial (operational) disclosure  
Long standing practice (since over a decade) of releasing a comprehensive quarterly report along with the financial results inter-alia containing risk factors, financial and operational highlights, significant industry & Company developments.
- We are the early movers of adopting Integrated Reporting as per framework prescribed by International Integrated Reporting Council (IIRC)

# Risk Management

## Risk Management Framework

A reliable, stable, and secure digital network is important to a nation's economic health and welfare of millions of people. This has only been reinforced in the past few years. During COVID-19, population throughout the globe depended on network services to interact remotely with coworkers, friends, and loved ones. As the nature of the business is ever evolving, the landscape of risks has expanded significantly and made risk management challenging and resource intensive.

It is our inherent capacity to identify and harness future trends and opportunities, establish processes, develop unique suite of products and solutions, and create path-breaking business and operational models. Several of these game-changing initiatives we take have never been attempted before. The opportunity comes with its own risks and uncertainties, though. We keep tabs on these concerns by using a comprehensive system of risk management that takes into account factors such as strategic, legal, financial, operational, and ESG aspects. Identifying and mitigating risks that might have a material impact on our company or sustainability goals is a priority for us.



## Proactive approach to new technology/ innovation

### Description and challenge

An organization's ability to adapt to the evolving technological landscape and meeting consumers expectations by providing innovative and cost-effective solutions is critical for its long-term viability. With the progress in technology, rapid increase in consumer demand and need for connectivity, the business should constantly re-invent and add new processes and solutions to its business offerings to stay relevant.

### Mitigation strategy

- At Indus Towers, we have always used innovation and technology to give our customers future-ready solutions to help them serve their consumers.
- We integrate our consumers insights to advance our vision of a digitally connected nation seamlessly with the help of our Intellectual Strength. Our custom solutions addressing the specific needs enable our customers to improve their network service.
- We adopt an innovation-driven development model by staying updated and implementing the emerging technologies like 5G, smart cities, etc.

### Way forward

Indus Towers has been at the forefront of deploying robust digital infrastructure over the past decade. Our solutions add value to our customers and other stakeholders. Our network presence, experience and capabilities have established our dominant presence. The advancement of fresh technologies only strengthens our industry leadership by allowing us to further exploit our network presence, experience, and capabilities. We will focus on diversifying into new areas like FTTH (Fiber To The Home), Active Maintenance, and Fiber Maintenance. The development of innovative technologies and solutions reinforces our industry leadership.

### Capital Impacted

- Intellectual
- Financial
- Manufactured

## Loss of competitive advantage

### Description and challenge

The sector has witnessed convergence of major telecom players into a concentrated few, limiting the number of key industry players. The further loss of competitive strength can be catalyzed due to –

- a) operators building their own sites
- b) re-modelled and competitive pricing by existing and emerging Tower Companies
- c) more agility and adaptability from competitors
- d) loss of market share/revenue due to partial or non-renewal of tenancies

### Mitigation strategy

- Indus Towers has built its position in this competitive landscape and has thrived in all its glory being the partner of choice of all operators.
- Our cost efficiency, quick rollouts, PAN India presence, resilient supply chain and certified processes instills trust in our operators while allowing them to save on their capex and opex
- Our customer relationship is very strong, and we work closely with our customers to provide seamless telecom connectivity for their end-users
- In cases of sudden exigencies, we are governed by long-term contracts with exit costs to protect our interests. Indus Towers has always put its customers need in the forefront and designed solutions around it.

### Way forward

- To build a deeper and mutually beneficial connection with our customers, we continue to develop and broaden our services.
- We performed benchmarking of the product and services which the Company offers with the competitors and we continue to be market leaders.

### Capital Impacted

- Financial
- Manufactured
- Social
- Relationship

**Statutory compliances, Regulations, and reforms**

**Description and challenge**

Our operating activities serve a larger national purpose and come under the spectrum of scrutiny and law and order. Our activities are exposed to a continuously evolving regulatory landscape.

In cases of litigation, or similar novel levies, there may be –

- a) Reputational Loss      b) Disruption of business operations
- c) Significant economic loss      d) Financial Risk in cases of unfavorable outcome

**Mitigation strategy**

- We regularly monitor changes in the regulatory and statutory landscape and re-model our operations, as needed to suit the compliances and changing market dynamics.
- We are actively affiliated with industry organizations such as DIPA, COAI, and many others to keep ourselves abreast and engage on issues that require attention.
- Our strong governance, established processes, good policy framework, and a watchful monitoring mechanism enable us to meet all statutory requirements and compliances and navigate through it, if need arises

**Way forward**

Our active participation, pro-active approach and constant engagement with various stakeholders allows us to speak and put forward our recommendations.

We have been playing the role of an advisor during discussion with authorities, FOIR, DoT, MoP etc. for regulatory requirement in case of emerging technologies for instance, use of street furniture for 5G, smart meter deployment, priority connections etc.

We will continue to engage with MoP, CERC, MORTH, Railways etc. to resolve business related issues.

**Capital Impacted**

- Financial
- Intellectual
- Social
- Relationship

**Data security and Cyber threats**

**Description and challenge**

Potential cyber threats may result in service interruptions or compromise personal data. This can have a negative impact on a Company's operations, revenue, and reputation

**Mitigation strategy**

- Our highly skilled staff is competent to run constant check of our system, flag off any concerns and resolve them
- We heavily invest in our IT system to maintain high data privacy and security.
- Regular cyber security assessments are conducted across all our offices and sites.

**Way forward**

The robust IT infrastructure we have established will allow us to execute operations efficiently while avoiding data breaches.

**Capital Impacted**

- Financial
- Manufactured
- Social
- Relationship

**Asset Management**

**Description and challenge**

Weakness in asset management can lead to misstatement of financial statements, non-optimal utilization of assets or physical shortages

**Mitigation strategy**

- Regular and detailed monitoring of asset mobility and ensuring its optimal use
- Physical verification of assets placed on the sites in a SMART manner
- Initiating and Implementing asset refurbishment for assets needing repair

**Way forward**

We will continue to improve our asset management through a structured asset integrity program that will ensure asset mobility and optimal usage.

**Capital Impacted**

- Financial
- Manufactured

**Increase in commodity price**

**Description and challenge**

Our business involves deployment of sites that need material inputs.

In view of global economic slowdown and steep retail inflation, there has been commodity price fluctuations. This will have a direct impact on the profitability and cashflows.

**Mitigation strategy**

- Better asset utilization through efficient planning, forecasting, and overhauling old assets
- Value addition and engineering to optimize material consumption and drive efficiency.
- Close monitoring of price fluctuations to take timely optimal decisions

**Way forward**

- Continue to keep a close watch and monitor external factors and price fluctuations
- Drive efficiency through established processes and innovative solutions to help in cost optimization.

**Capital Impacted**

- Natural
- Intellectual
- Financial

**People Retention**

**Description and challenge**

Our business growth is attributed to our highly capable workforce. Increase in attrition across different levels can impact business operations in the long haul

**Mitigation strategy**

- Succession Planning and
- Progression Planning to guarantee business continuity.
- We have a well-defined policy focusing on employee benefit for attracting and retaining the high performers to drive business growth.

**Way forward**

- At Indus Towers, employees are offered many growth avenues.
- We have designed structured programs pertaining to hiring, training, promoting and compensating employees
- Succession Planning is carried out bi-annually for Vice President (VP) and above
- For below VP level, High Potential programs are conducted to identify and develop talent including succession planning.
- We continue to reward and appreciate the key talent

**Capital Impacted**

- Human

**Natural Disasters**

**Description and challenge**

The increasing threat of climate change and the risk of external factors like natural disasters that can cause disruption in the Company's telecommunication network are serious concerns.

**Mitigation strategy**

- To deal with such unprecedented scenarios, we invest in asset insurance that covers the replacement value of our current telecommunications network. This ensures coverage in the event of any unforeseen catastrophe.
- We have deployed suitable business continuity strategies and disaster recovery measures to ensure the continuation of normal operations while providing seamless services to our customers.
- We also consider the impact of climate on our business and is a part of the ERM framework, wherein we monitor the business disruption due to natural causes.

**Way forward**

We are stepping up our efforts to build stronger resilience in our infrastructure and stringent IT policies and solutions to combat with the repercussions of climate change and natural disasters.

**Capital Impacted**

- Natural
- Manufactured
- Financial



Dispute Management

Description and challenge

Unresolved operational and interpretational matters raised by our customers can lead to accumulation of disputes with no resolution

Mitigation strategy

- Ensuring access to comprehensive and accurate data from the field for active assets to ensure billing accuracy.
- Ensuring that contractual disputes are addressed in a timely manner by doing a monthly assessment of customer disputes and working on reducing the resolution's TAT.

Way forward

We continue to review disputes and the energy billing model on a frequent basis to guarantee timely revenue generation and cost optimization. Basis observations from settling old disputes, we plan for prevention of similar disputes through a structured dispute resolution mechanism.

Capital Impacted

- Financial
- Social
- Relationship

Uncertain economic outlook following pandemic

Description and challenge

The COVID-19 pandemic since its emergence has posed obstacles on several fronts. This has resulted in substantial economic downturn in businesses across all industries.

Such unforeseen disruptions have an influence on customer demand, supply chain, staff productivity, and Company's overall financial health and human resources.

Mitigation strategy

- We served as the backbone of the nation and continued our operations during the lockdown to maintain uninterrupted seamless telecom access for millions across the country. The pandemic substantially increased the demand for data and call connectivity as remote working became the new standard and is expected to be the new way of working
- We have developed SOPs for all our locations and offices to ensure that our site engineers and personnel follow COVID-19 guidelines.
- We have created a group looking after our employees and their families medical and other emergency.
- COVID vaccination drive was carried out by the Company for all employees and dependent family members.

Way forward

The pandemic advanced people's need for digital connectivity. Telecom sector has established itself as the backbone of the country. The emerging culture of hybrid workplaces has resulted in increased usage of data, both at work and at home

Indus Towers is bridging this gap of demand and supply through its enhanced network to build data capacity by partnering with telecom companies to help them roll out their services to the end consumers in a cost-effective manner.

Capital Impacted

- Human
- Manufactured
- Financial

Key Customer's financial health

Description and challenge

Adverse changes in the financial health of key customer could lead to persistent payment defaults and subdued cash flows

Mitigation strategy

- Monitoring the pendency and ageing of the receivable from customers
- Ongoing performance review and implementation of agreed-upon action plans
- Assessment of the customer's financial health

Way forward

Risk of customer exit was high in FY 22 which is now reduced but the risk of payment defaults due to poor financial health, continues to be significant. Close monitoring on the ageing of pending receivables from the customers assumes significance.

Capital Impacted

- Financial
- Social
- Relationship

People safety

Description and challenge

To ensure the safety of people is one of the most important concerns of any business.

The inability on part of employers to protect their employees' health, (including the inherent risks of working in the field and occupational problems) can affect the employees, cause public safety incidents and/ or adverse media coverage

Mitigation strategy

- We examine and update our safety policies, culture, and initiatives on a regular basis.
- There are defined controls in place to monitor, assess, and offer feedback on many aspects of employee safety and health.
- Adequate safety equipment are provided to site engineers.
- Regular checks are conducted on extremely critical sites identified by Tower Excellence Centre (TEC) and such sites are de-risked through the maintenance activities performed by the deployment function.

Way forward

Our unwavering commitment to our employees' safety is a key value proposition of our approach.

We're continuing to work closely with our staff and assisting them in all possible ways.

We continue to monitor performance with the plan for strengthening and maintenance of towers and poles.

Capital Impacted

- Human
- Manufactured
- Financial

Monitoring ESG compliance across organisation

Description and challenge

Deferred or Deficient incorporation of ESG practices in the organization can result in failure to deliver long term value creation.

This will hamper our credo of environmental accountability, loss of trust with partners, reduced investor support and hamper the long-term growth of the organization.

Mitigation strategy

- Established a governance framework to monitor ESG progress.
- ESG Committee (Board delegated) to provide strategic guidance and ESG Council (senior management) will consolidate and implement the ESG practices within the organization.
- Detailed materiality assessment was carried out during the year to identify the ESG focus areas.
- Baseline for material issues is being conducted and the Company is on the path of setting targets and detailed roadmap to go beyond compliance and create value and a better tomorrow for our stakeholders.

Way forward

We will focus on increasingly integrating ESG priorities into strategic decision making to remain competitive and resilient.

We will take up time bound targets on our material issues and focus area - around our decarbonization plan, encouraging inclusive workplace.

Capital Impacted

- Natural
- Manufactured
- Financial
- Social
- Relationship

## Message from Chairman



### Dear Shareholders,

The Indian telecom industry is the second largest telecom industry in the world with a subscriber base of 1.17 bn as of April 2022 (wireless + wireline subscribers) and continues to grow rapidly and contributes substantially to the Gross Domestic Product of the nation. The major drivers of the remarkable growth of the industry over the last few years have been the exponential increase in demand for data by the large Indian consumer base, apart from affordable tariffs, wider availability, Government's initiatives towards bolstering India's domestic telecom manufacturing capacity, and a conducive regulatory environment. Data traffic in India remains amongst the highest in the world and has grown at a CAGR of 53% in mobile broadband over 2017-21, with the average monthly data traffic per user growing by 31% CAGR in the last 5 years to ~17 GB in FY 2022. The pandemic further reinforced the importance of connectivity as a part of everyday life.

As one of the largest IP-1 players, Indus Towers has served as the backbone for the rapid propagation of wireless services in the country for over a decade. The growth in data and proliferation of 5G are expected to provide lot of new opportunities to tower companies. Network densification is expected to usher in demand for leaner structures supplemented by fiber solutions to support the high-speed requirements of 5G. Overall, Indus Towers looks set to continue the growth story of the last decade backed by the underlying business need and an exploding demand driven telecom growth.

On the year gone by, I must appreciate "Team Indus" for successfully completing the merger amidst the pandemic and other natural disasters. Alongside this, the team has maintained and grown the network thus enabling the connectivity across the nation, helping millions of people during the tough times last year. The team continued to install new towers even in the toughest terrains of India like Ladakh and Himachal Pradesh.

In September 2021, the Government announced a relief package and a number of structural and process reforms in order to promote healthy competition, drive further

investments and support the liquidity needs of the Telecom Service Providers. Key features of the package include moratorium of four years on payment of Adjusted Gross Revenue (AGR) and spectrum dues, option to retire the dues and interest amount by way of equity, exclusion of non-telecom revenue from the definition of AGR going forward, removal of spectrum usage charges in future auctions and rationalization of bank guarantee. As a network infrastructure provider, Indus Towers stands to benefit from these reforms as these are expected to accelerate the network expansion plans of the TSPs with investments in tower infrastructure.

During November-December 2021, all three major private TSPs raised their tariffs. This helped them improve average revenue per user (ARPU) and address the financial distress of the industry thereby paving the way for investments in network and spectrum in view of imminent 5G rollout. Both Bharti Airtel and Vodafone Idea have indicated that further upward revisions of tariffs can be expected in 2022, which bodes well for the health of the telecom sector.

There were rapid developments from both the Government and TSPs in FY 22 to make 5G a reality. On one hand the Government took steps to conclude the auction of spectrum as it is striving for faster deployment of the infrastructure, on the other hand the TSPs were active in conducting trials, forging partnerships with technology companies and preparing for launch of services. Reduction in reserve price across bands, easing of payment schedule and ample supply of spectrum were vital factors addressing the stretched financial situation of the industry. They contributed to the successful auction which saw active participation from the telcos. The acquisition of 5G spectrum will facilitate a rapid rollout of 5G across country for which Indus being the leader in tower infrastructure in India will have a significant role to play.

Additionally, the government reiterated its commitment for fiberisation of tower network with the Minister of State for Communications highlighting that the Department of Telecommunications (DoT) was on track to meet the target of bringing fiber optic-based networks to more than

six lakh villages by August 2023. The need for fiber is expected to grow exponentially with the 5G rollout requiring backhaul infrastructure capable of handling high data volumes. Also, in March 2022, TRAI initiated a pilot program to use street infrastructure with a view to speed up the telecom infrastructure expansion process. The use of street furniture will avoid duplication of resources and is also seen as an efficient way to overcome Right-of-Way (RoW) challenges.

FY 22 saw a strong financial performance, as our gross revenue grew 8% year-on-year to ₹ 277.2 billion. Within that our core revenues grew 7.6% year-on-year to ₹ 176.1 billion. Adjusted for non-recurring items, gross revenue and core revenues were up 6.7% and 4.8% year-on-year, respectively. The growth story was further reflected in our profitability metrics as well with EBITDA growing at 12.7% to ₹ 149.4 billion and profit after tax growing 28.1% to ₹ 63.7 billion. Adjusted for non-recurring items, EBITDA, and profit after tax, were up 10.1% and 21.4% year-on-year, respectively. On May 5, 2022, the Board has declared an interim dividend of ₹ 11/- per equity share of ₹ 10/- each fully paid up (110% of face value) for FY 2021-22.

On the receivable situation with a customer, we continue to collaborate with them to resolve the situation. In February 2022 we had restructured the security package provided by Vodafone Promoters to reduce the outstanding amount from VIL. This was done through Vodafone Plc selling the pledged shares and infusing the proceeds in VIL, and VIL utilizing the proceeds to repay part of its dues towards Indus in March 2022.

Vodafone Promoters sold 7.1% of their stake in Indus Towers for a total consideration of ~ ₹ 38,112 Mn. Out of this, 4.7% was acquired by Bharti Promoters for a consideration of ~ ₹ 23,880 Mn while the remaining 2.4% was sold to other investors. As a result of these transactions, Vodafone Promoter's shareholding has decreased from 28.1% to 21.0%, and shareholding of Bharti Promoters has increased from 41.7% to 46.4%. Subsequently, Bharti Promoters have acquired 1.36% from open market taking their total shareholding in the Company to 47.76%.

The CSR vision of Indus aims at building an empowered society through education, community development, sustainable environment, and other need-based initiatives. At Indus, CSR is a way of life and is well integrated with our overall business strategy. During the year, the Company has contributed ₹ 356.29 Mn towards various CSR projects and programmes for the nation's sustainable development. Indus is fully committed to the government's vision of responsibility towards the society.

An especially important initiative which we started giving shape during the year was ESG. We remain committed to a sustainable future for all, with the very existence of this Company and its operations for over a decade bearing testimony to its sustainable practices. We have identified high priority areas across the environmental, social and governance dimensions. As we set up the targets across the aforementioned areas, the directions from Indus Management is absolutely clear in driving the initiatives towards a sustained achievement of the targets. Our unwavering commitment to this ESG journey will create sustainable business and continue to generate value for all the stakeholders.

To conclude, we believe that the overall outlook for the sector and the Company remains positive owing to the robust macroeconomic fundamentals of the nation, exploding data driven demand of the Indian consumer and value addition of our business model. We are fully committed to support the honorable Government of India and our customers by enabling connectivity across the nation and thereby accelerating the Digital India drive.

**N Kumar**  
Chairman



## Message from Managing Director & CEO



### Dear Shareholders,

The financial year 2022 was a landmark year for Indus Towers. At the start of the year, we were under the grip of delta variant of COVID and there were several colleagues and family members impacted. Yet, true to our values, not only did team Indus culminate the merger of such a large size & scale but also maintained and grew the network throughout the year. With a strong financial performance and a sustained operational performance, it was a year that further increased our relevance to the society and strengthened the effectiveness of our operating business model.

The second wave of COVID-19 in the beginning of the financial year further emphasized India's telecom sector as one of the most important pillars of the nation. The telecom infrastructure industry played a critical role in keeping consumers and businesses connected in the testing times. Shift in consumer behavior, resulting in a much higher data demand during the pandemic has further accelerated the journey towards Digital India, with a strong and resilient telecom network enabling this transition.

Indus Towers dealt with the pandemic while adhering to the central tenets of minimal disruption to the customers and focus on employee safety. Team Indus worked overtime to ensure that the vital connectivity is maintained at all times while enforcing social distancing and other safety protocols to contain the spread of the second and third waves of the pandemic during FY2022.

While all this was playing out, we managed to successfully complete all merger milestones, constituted uniform processes, platforms, and ways of working Pan Indus with complete adherence to all compliances and zero disruption to customers. In fact, we redrafted the Mission, Vision, and Values of the Company through a Large Scale Interactive process wherein over 3,000 employees came together & deliberated and brought to shape the new Mission, Vision, and Values of the company.

On the regulatory side the year gone by was a very important year. The steps taken by the honorable Government of India benefitted the telecom industry and supported the intent of the telecom sector

remaining a three-player market. The relief package in September 2021 improved the liquidity situation in the industry and ensured continuity of operations from all major operators. The operators then followed with a tariff hike of about 20% in a consolidated manner which further improved the financial health of the operators. Promoters of Vodafone Idea infused Rs.45 billion in the company to improve its financial position. We also did our bit by working with our customer and supporting its capital raise plans by way of restructuring the pledge agreement. The actions were in mutual interest of the customer as well as Indus. Since the start of this year, I can say that we have made great strides as an enabler of connectivity.

Indus Towers entered into an agreement with Vodafone Idea Limited and Vodafone promoters to resolve the receivables situation in a mutually beneficial manner. Following the discussions with VIL and the Vodafone promoters, the promoters infused the proceeds of the sale of pledged shares for the payment to the company of the outstanding amounts under the Master Service Agreements during the period till 15th of July 2022. Additionally, to safeguard our interests, we retained the right to invoke the security earlier than 15th July 2022 in certain specified events. These steps were taken to support the Company's long-term business interest and improve its receivables and cash flow position in due course.

With regards to the renewal of the co-locations under MSAs, we have agreed a framework with one of our customers and discussions are in progress with the other customer as well. The renewal of contracts has been concluded with a positive outcome for both the customer and Indus. We are benefited by securing a large part of our portfolio for a ten-year time period and thus have obtained visibility of revenue through long-term commitment from the customer. We believe that financial impact on Indus, would be offset by incremental revenue from foreseeable future rollouts by the customers for its network expansion, launch of 5G services and other network solutions. We see this agreement in the long-term interest of business and a mutual win-win.

As stated, FY 22 saw a strong financial performance and a sustained operational

performance from Indus Towers. During the year, we had a net addition of 6,222 towers and 13,353 co-locations. Our total tower and co-locations at the end of the year were at 185,447 and 335,791 respectively, each growing by 3.5% and 4.1% on year-on-year basis, with a steady colocation factor of 1.8. We continued a strong performance basis network uptime across the circles. One thing I would like to point out is that our reporting includes only macro towers and the corresponding co-locations. Nonetheless, there has been an increasing trend for leaner towers, which were end-to-end conceptualized, developed and launched by Indus Towers, with more than a thousand such sites delivered during the year. Additionally, the company continues to provide services such as fiber, Small Cells and other areas of business besides the traditional towers in the service area of the four Smart Cities - New Delhi, Vadodara, Bhopal and Dehradun.

Coming to the financial performance for full year FY22, there was a healthy growth across all the parameters. Our gross revenue grew 8%, EBITDA grew by 12.7%, and Profit after tax grew by 28.1% for the FY2022.

I am very happy to share that during the year we improved our employee satisfaction score from 4.49 to 4.62. This has been recognized through the Gallup best place to work award for the ninth consecutive time. Another very important pillar is our customer and despite the challenges of the year, we have improved our customer satisfaction score from 4.37 to 4.42.

Indus's leadership in the industry is an outcome of its excellent business practices and responsibility towards all its stakeholders. The Company won many accolades and awards across categories which is a testament to its well-rounded governance. Indus Towers won the Golden Peacock award for risk management, 20th Annual Greentech Safety India Award 2021 for outstanding achievements in "Safety Excellence" category and Rotary CSR Awards 2021 for Basic Education and Literacy. Indus also won two Company awards & three Employee awards in the 11th Edition of Bharti-Changemaker Awards: Gold Award for Indus scholarship program for students with disability, Gold Award for Disaster Initiative- Support to

India's largest Covid Care Centre apart from Employee Awards: Gold award under short term initiatives and Silver & Bronze under Long Term initiatives. Additionally, we won three awards from the Corporate Counsel Association of India (CCAI), two Awards from Indian National Bar Association and was a finalist in Aegis Graham Bell Awards for Innovative Digital Workplace.

It is the commitment and dedication of our employees that has enabled us to overcome the challenges of the pandemic and natural disasters and yet maintain the connectivity across the nation while consummating the merger with minimal disruption. The Company values ExCITE -- Excellence, Customer, Integrity, Teamwork and Environment -- foster a culture of alignment and trust where employees find more fulfillment in their work and we continue to invest in the development of our employees. We would also like to take this opportunity to thank all our shareholders, customers, partners and landlords for their constant support and belief.

With the tailwinds of renewed MSA, imminent introduction of 5G & further increase in densification, data driven demand across the telecom sector, and armed with the positive efficiencies and economies of a successful and smooth merger, Indus Towers is well placed for a long-term growth trajectory. We are in a good position -- financially and operationally -- to cater to the increased passive infrastructure demand of our customers. We are ready to capitalize on the opportunities coming our way by surpassing the several industry best benchmarks which we have set for ourselves.

**Bimal Dayal**  
Managing Director & CEO



## Board of Directors



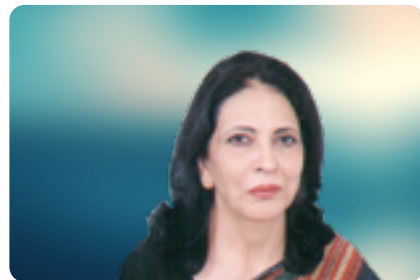
**Mr. N Kumar**  
Chairman and Independent Director

N Kumar is an Independent Director and Chairman of the Board. He is the member of Audit & Risk Management Committee, HR, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee.

N Kumar is an Electronics Engineering Graduate from Anna University, Chennai and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers and The Institute of Electrical and Electronics Engineers, Inc., New York (IEEE).

He is the Vice Chairman of The Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is on the Board of various public companies and has over four decades of experience in the spheres of Electronics, Telecommunications, Chemicals, Engineering, Technology, Education, Management and Finance.

N Kumar has served as a President at the Confederation of Indian Industry and is the Chairman of the Indo-Japan Chamber of Commerce & Industry. He is the Chairman of Bala Mandir Foundation and managing Trustee of The Indian Education Trust.



**Ms. Anita Kapur**  
Non-Executive Independent Director

Anita Kapur, who joined the Indian Revenue Service (IRS) in 1978, held the position of Chairperson, Central Board of Direct Taxes (CBDT) during 2014-15. As Chairperson and earlier as Member CBDT (2012-14), and post retirement as Adviser in the Ministry of Finance (2015-16), she had the leadership role in formulating significant taxpayer friendly administrative measures and policy reforms to simplify tax laws, apply technology to enable tax assessments in an E- environment, reduce litigation, facilitate compliance, counter tax evasion and collect taxes fairly.

She had secondment stints with the Foreign Tax and Tax Research (FT&TR) Division and the Tax Policy & Legislation (TPL) Division of the Ministry of Finance; the capital market regulator of India i.e. SEBI; and the Banking Division (currently known as Department of Financial Services) of the Ministry of Finance.

She was a Director on the Boards of Delhi Stock Exchange, Jaipur Stock

Exchange, Kanpur Stock Exchange and Ludhiana Stock Exchange as nominee of SEBI. She was Government of India nominee on the Boards of Directors of Andhra Bank, Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, Punjab and Sind Bank and Institute of Chartered Accountants of India. In her personal capacity as a Tax Expert, she was made a Member of the UN Committee of Experts on International Cooperation in Tax Matters (2009-2013), and then was elected as Vice Chairperson of this Committee twice, covering the entire term of her membership, in recognition of her proficiency in International Tax matters.

Her last assignment with the Government was as a Member of the Competition Appellate Tribunal (COMPAT) during 2016-2017.



**Mr. Bimal Dayal**  
Managing Director & CEO

Bimal Dayal is currently the Managing Director & CEO of Indus Towers Limited. Bimal has an Engineering Degree in Electronics and Communication. He is an alumnus of Harvard Business School, where he pursued an Advance Management Program in 2014.

Bimal has worked with prestigious organizations such as Tata Telecom Ltd. where he gained rich experience at a time when India opened itself up to foreign investments. He also gathered industry experience from his stints at Ericsson India, Ericsson in Sweden and as MD and Country head of Sri Lanka, where he gained insights into cellular technology and operations, both in India and abroad.

He served as the key interface during the first managed services deal in India and

went on to serve as the Country Manager and VP – Business Development at Qualcomm India and South Asia. Although it was a short stint, Bimal developed a keen insight into cutting-edge technologies and the fascinating world of handsets and devices.

Bimal has been associated with erstwhile Indus Towers for more than 10 years, in two different roles and has over three decades of overall leadership experience.

He took over as CEO of Indus Towers in 2016 and since then has led the Company towards becoming a Deming Prize winning company, an ET Best Place to Work in Telecom, a Gallup Best place to work awardee for eight consecutive years.



**Mr. Gopal Vittal**  
Non-Executive Non-Independent Director

Mr. Gopal Vittal is currently the Managing Director & Chief Executive Officer of Bharti Airtel Limited. In his role as CEO, he is responsible for defining and delivering the business strategy and providing overall leadership for Airtel India operations.

Under his leadership, Airtel has built a strong portfolio of businesses and achieved a lifetime high in terms of both revenue market share and enterprise value in a very competitive market. Over the past 5 years he has been driving their digital transformation including defining the culture, metrics, incentives for collaboration and overall “re-imagining the business”. As a result, Airtel has been recognized as the second most valuable brand in the country by Brand Equity.

Prior to this, Gopal worked for twenty years with Unilever across sales, marketing and general management in markets spanning India, Thailand, Indonesia and China. In his last assignment, he led the Home and Personal care business at Hindustan Lever and strengthened the entire portfolio by growing market share and profitability across categories.

Mr. Vittal is an alumnus of Madras Christian College and has completed his MBA from IIM, Kolkata.

**Mr. Harjeet Kohli**

Non-Executive  
Non-Independent Director

Starting as a corporate & investment banker & finance professional leading into business roles, Harjeet has around 25 years of work experience. As the Group Director, Harjeet is a part of Bharti Management Board and drives the strategic aspects of businesses, both across telecom & non-telecom, by focusing on inorganic build-outs, M&A, capital allocation, partnerships, strategic capital sources, financing, capital structure, equity, investor management (private & public), risk management and also plays the role of Business Sponsor driving core delivery & value creation for consumer & real estate businesses of the group.

Harjeet also serves as a Director on the boards of Bharti Enterprises Limited, Bharti AXA Life Insurance Company Limited, Bharti AXA General Insurance Company Limited, Bharti

Realty Limited, FieldFresh Delmonte India amongst others.

Prior to this role, Harjeet has served as Director - Finance, CFO of Bharti Enterprises, Group Treasurer of Bharti Airtel and has worked on several strategic projects for Bharti group, across strategic expansion, large scale acquisitions, divestitures, IPO, QIP, Rights, buybacks, secondary sales, capital markets debt, equity market – across listed companies (Airtel/ Infratel/ Airtel Africa Plc) & including business/franchise deals in Insurance, foods, real estate et al.

Prior to joining Bharti group ~12 years ago, he had 12 + years of corporate & investment banking experience at Citibank, across business build-outs, product lead, structuring, sales, relationship management, capital markets & full P&L based market management.

**Mr. Rajan Bharti Mittal**

Non-Executive  
Non-Independent Director

Mr. Rajan Bharti Mittal is the Vice-Chairman of Bharti Enterprises, one of India's leading conglomerates with diversified interests in telecom, insurance, real estate, Agri and food in addition to other ventures. Bharti has joint ventures with several global leaders: Singtel, AXA, Del Monte, SoftBank and Brightstar.

Bharti Airtel, the flagship company of Bharti Enterprises, is among the world's largest telecommunications companies offering mobile, fixed broadband, digital TV solutions and mobile commerce to over 400 million customers in 18 countries across India, South Asia and Africa.

Born in 1960, Mr. Rajan joined Bharti Enterprises after graduating from Panjab University. An alumnus of Harvard Business School, he is actively involved in overseeing the activities of the group at the corporate level. With his rich experience in the marketing function, he is also involved in many of the new business ventures of the Group.

Rajan serves as a member of several industry associations and policymaking

bodies. He is currently on the Board of Trustees of Brookings Institution, the world's oldest and most prestigious think tank and a member of the President's Council on International Activities (PCIA), Yale University. He is also a member of the India-France CEO Forum and India-Singapore CEO Forum.

He served as the President of International Chamber of Commerce (ICC) India in 2012-13. He was also the President of Federation of Indian Chambers of Commerce and Industry (FICCI) for the year 2009 - 2010 and is currently a Member of its Executive & Steering Committees. Mr. Rajan has also served as the President of Association of Basic Telecom Operators (now known as Association of Unified Telecom Service Providers of India - AUSPI) for 1999-2000.

Rajan has been honored with the "Indian Business Leader of the Year Award 2011" by Horasis, The Global Visions Community and has also been awarded the "Leonardo International Prize 2012" by Comitato Leonardo, the Italian Quality Committee.

**Mr. Randeep Singh Sekhon**

Non-Executive  
Non-Independent Director

Mr. Randeep Singh Sekhon is Chief Technology Officer for Airtel India and South Asia. Headquartered in New Delhi, India, the company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long-distance services to carriers.

Randeep is responsible for driving technology Strategy and Innovation, Digitization, Network operations, Rollout, Planning and quality.

Prior to this, Randeep was CEO of Hutchison Tri Indonesia based out of Jakarta. He successfully drove customer centricity and digitization led efficiency and business transformation for 3 in Indonesia.

**Mr. Ravinder Takkar**

Non-Executive  
Non-Independent Director

Mr. Ravinder Takkar is the Managing Director and Chief Executive Officer (CEO) of Vodafone Idea Limited, India's leading telecom service provider, effective 19<sup>th</sup> August 2019.

Ravinder's professional experience of 25+ years across cultures and geographies, building a strong track record in the field of business strategy, business planning and development in the ICT sector. Associated with Vodafone Group since 1994, he has worked in leadership positions with several operating companies of Vodafone, in multiple markets across the world.

Prior to taking his current role, Ravinder was the Chairman, Vodafone Group Services & Regional Business Development (Africa, Middle East & Asia Pacific) based out of New Delhi. He has also served as CEO of Vodafone Romania S.A. and as CEO of Vodafone Partner Markets, based in London.

He has been closely associated with the growth and evolution of Indian telecom since Vodafone Group's entry in 2007. He held a number of senior roles in Strategy and Business Development and was also the CEO of Vodafone's Enterprise business in India. He has also served as Director on the Board of erstwhile Vodafone India Limited.

In addition to his responsibilities at Vodafone Idea, Ravinder is also on the Board of Indus Towers Limited and cable & Wireless Global (India) private Limited. He led the Indian telecom industry as the Chairman of the industry body, Cellular Operators Association of India (COAI), in the year 2019-20.

He holds a bachelor's degree in Computer Science from Loyola Marymount University, Los Angeles.



**Mr. Sharad Bhansali**

Non-Executive  
Independent Director

Mr. Sharad Bhansali is a law graduate from Delhi University and M.A. (Economics) from Boston University, USA, besides MBA in Finance & Marketing from Delhi University.

He is presently, Managing Partner of APJ-SLG Law Offices (ASL), a leading full service international corporate and commercial law firm with its head office in Delhi and specialises in the fields of WTO and trade law, anti-dumping and anti-subsidy investigations, infrastructure, real estate, banking, finance and foreign direct investment practice matters. He has represented the Government of India before the WTO Dispute Settlement Body as well as the USITC and the European Commission in various trade disputes. He has also represented several exporters before various international authorities and commissions in EU, Turkey, USA, Mexico, Brazil, Argentina,

China, Indonesia, Malaysia, Australia, etc. He has also advised some foreign governments as a UN expert on trade remedies and international trade.

Prior to joining the legal practice, he was member of the Indian Revenue Service (Customs & Central Excise) – 1980 Batch where he worked as Director in Anti-dumping and Trade Policy Divisions of the Ministry of Commerce from 1995 to 2000. During his tenure with Government of India, he had also held other senior positions in various ministries.

Sharad won several awards/commendation certificates from the Government of India for meritorious service. As a legal practitioner, he has consistently won accolades as a leading international trade law expert from various international agencies. Sharad is based out of New Delhi, India.

**Mr. Sunil Sood**

Non-Executive  
Non-Independent Director

Sunil is a Director on the board of Vodafone Group's India unit joint venture - Vodafone Idea Limited (Vi) and Vodacom Group South Africa. He was the Group Commercial Director, AMAP and Group M-Pesa Financial Services Director of Vodafone Group Services from September 2018 to September 2020. In that capacity, he managed the Commercial Operations and Strategy as well as the Innovation and Transformation projects for the Africa, Middle East, Asia & Pacific Regions and as Director - Financial Services, his role was to transform the business from a meagre mobile phone-based money transfer service to a digital, future-fit FinTech Platform.

He started his telecom journey with Vodafone in the summer of 2000 and over the years has held several senior positions including MD & CEO for Vodafone India Limited (April 2015 - August 2018).

Sunil began his career in the FMCG industry in various roles across India and other emerging markets in Africa and South East Asia, including the role of CEO of Pepsico in Bangladesh.

His career and experience gained in FMCG, Telecommunications and Fin-Tech extends over 35 years.

He was also a Director of Indus Towers Limited and Safaricom-Kenya in the past.

With respect to his education, Sunil is an alumnus of the Harvard Business School, and a distinguished alumni awardee of the Indian Institute of Management - Calcutta (MBA) and the Indian Institute of Technology - Delhi (B-Tech).

**Ms. Sonu Bhasin**

Non-Executive Independent Director

Ms. Sonu Bhasin is one of the early and senior women professionals in the industry. In her career of over 30 years she set up and managed large businesses, and diverse teams, across financial and non-financial sectors in India and overseas.

Sonu led various businesses in senior leadership positions during her corporate career. She began as a TAS Officer with the Tata Group and spent 13 years with the Group before becoming a Banker. As a Banker, she was a Director at ING Barings, President Axis Bank, Group President Yes Bank before going back to the Tatas as COO Tata Capital Limited.

Sonu is an Independent Director on Boards of well-known and reputed domestic and multinational companies.

She now focuses on family businesses and is the Founder of FAB – Families And Business. She is a family business historian and is the Editor-in-Chief of Families & Business magazine – India's only stand - alone magazine that addresses the concerns of family business owners/promoters/entrepreneurs. Sonu has worked extensively with both, the patriarchs

and the inheritors of family businesses and has enabled them to look at their businesses through the prism of family dynamics.

Sonu is also a Business Author and her first book The Inheritors – Stories of Entrepreneurship and Success, published by Penguin Random House, is a bestseller in the business books category. Her second book, Unstoppable – Kuldip Singh Dhir and the Rise of Berger Paints, published by Penguin Random House is the biography of the owner and promoter of Berger Paints. Her third book – Gujarmal Modi : The Resolute Industrialist – is the first in the multi-book series titled Entrepreneurs Who Built India published by HarperCollins.

Sonu is also a columnist with The Economic Times, the leading financial daily of India.

She was named as one of the Global 100 most Influential individuals for family enterprises in 2020.

Sonu has a degree in B.Sc (Hons) Mathematics from St. Stephen's College, Delhi University and a MBA from Faculty of Management Studies, Delhi University.

**Mr. Thomas Reisten**

Non-Executive  
Non-Independent Director

Mr. Thomas Reisten, a member of the Finance Leadership Team with Vodafone Group Plc, UK, is currently Chief Financial Officer (CFO) of Vantage Tower Co, Germany. Prior to this, he was the CFO of Vodafone Business Services and Regional Finance Director for the AMAP region responsible for Africa, Middle East, Asia and Pacific.

He joined Vodafone Germany in March 1998 and has since served in various leadership positions across markets, including as CFO of Vodafone India and Vodafone Ireland. He has built a

robust financial control and governance architecture and delivered significant cost initiatives supporting the function through major transformation leading to the merger of Vodafone India and Idea Cellular.

He completed his post graduate studies at the University of Muenster, majoring in Accounting and International Markets Management.



Our financial strength stems from our strong balance sheet position and consistent cash generating business model. We follow a prudent approach in capital allocation to drive profitable growth and maintain dividend payments.



# FINANCIAL CAPITAL

At Indus, we strive to create value for our shareholders by delivering sustainable returns.

**₹ 29,287 Mn**

Capital Expenditure

**₹ 149,429 Mn**

EBIDTA

**₹ 91,620 Mn\***

Cash Flow

**30.75%**

Capex productivity

**14.25%**

Opex productivity

\*Operating free cash flow



Revenues from operations increased by 8% in FY 2021-22 due to higher roll outs by operators to support the rapid data consumption growth. Adjustment of provision on account of settlement of reconciliation issues related to trade receivables also aided the revenues.

In FY 2021-22 EBITDA increased by 13% due to increase in sharing revenue driven by higher rollouts and enhanced cost management measures.

**Revenue from Operations**  
(₹ Mn)



**EBITDA\***  
(₹ Mn)



\*EBITDA is excluding other income

Profit Before Tax increased by 27% in FY 2021-22, aided by growth in EBITDA.

**Profit Before Tax**  
(₹ Mn)



**Profit After Tax**  
(₹ Mn)



ROCE increased in FY 2021-22 due to better capital management and higher profits.

**Return on Capital Employed\***  
(%)



\*Pre tax



**Strategic Focus Areas**

**Cash flow from operating activities**

Cash generated from operating activities for the year ended March 31, 2022 was ₹91,212 Mn as against ₹107,563 Mn for the year ended March 31, 2021.

**Cash Flow from investing activities**

Cash used for investing activities for the year ended March 31, 2022 was

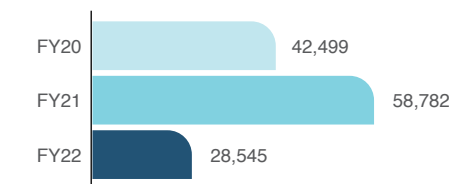
₹21,737 Mn as against ₹12,680 Mn for the year ended March 31, 2021. The increase of ₹ 9,057 Mn was primarily due to higher redemption of investments in the previous financial year.

**Cash Flow from Financing Activities**

Cash used for financing activities for the financial year ended March 31, 2022 was ₹ 59,816 Mn compared to ₹ 93,617 Mn for the year ended March 31, 2021. The decrease of ₹ 33,801 Mn was majorly

due to higher dividend payout in the previous financial year.

**Net Debt**  
(₹ Mn)



\*Net debt is excluding lease liabilities

**Human Capital**

We believe in empowering our employees by providing them with a conducive working environment and upskilling opportunities. This adds value to our employees and enable them achieve our short- and long-term objectives. The overall employee benefits expense for this fiscal year was ₹7,722 Mn.

**Natural Capital**

At Indus Towers, we strive to build eco-friendly telecom tower sites by investing in solutions for resource optimisation and diesel replacement. We are also dedicated to investing in measures that will reduce the Company's environmental impact and help in decarbonizing the sector in India.

**Intellectual Capital**

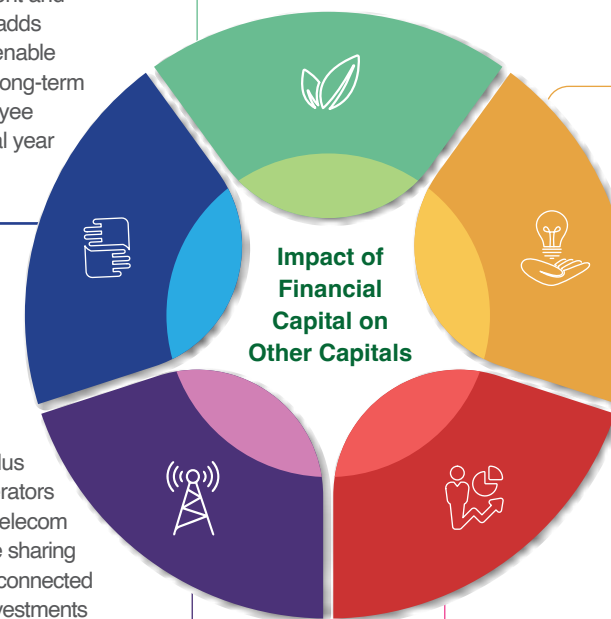
To sustain its leadership position in the telecom industry, Indus Towers continues to invest in developing its expertise and acquiring cutting-edge technologies along with digital platforms to make seamless services and high uptime available for all.

**Manufactured Capital**

With a pan-India footprint, Indus Towers provides telecom operators with a cost-effective passive telecom site network with infrastructure sharing benefits. To nurture a digitally connected India, we make continuous investments in new tower rollouts as well as ensure the upkeep of existing ones.

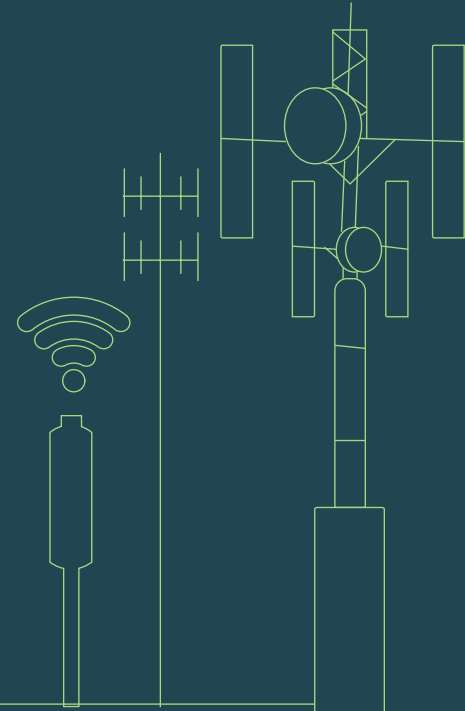
**Social and Relationship Capital**

Indus Towers is committed to drive the prosperity and well-being of the communities in which it operates. As a result, our societal investments are focused on fostering holistic development of communities, impacted by our operations.





A future ready digital infrastructure is need of the hour. As the country's leading digital infrastructure provider, we continue to build capabilities to integrate next generation technology.



**185,447**

Towers

**335,791**

Co-locations

**Increasing**

Portfolio of cost-effective & leaner towers

**Deeper**

Footprints in rural India

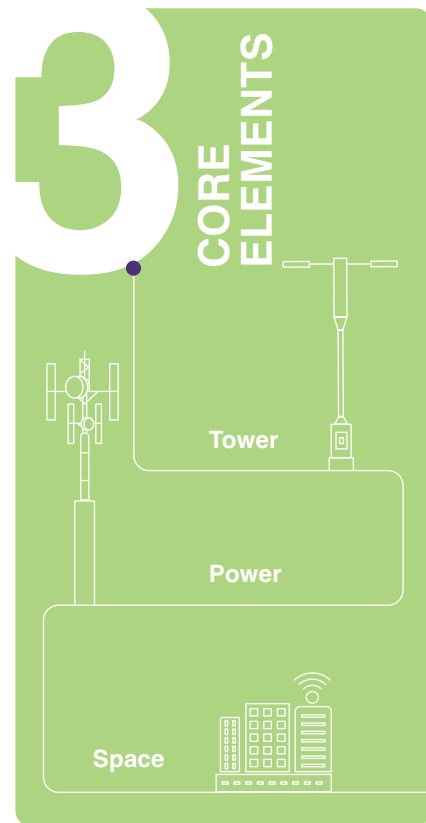
# MANUFACTURED CAPITAL

We have a rich asset portfolio of 185,447 towers up and running, serving billions of people across the nation with their connectivity needs in the remotest of geographies for a better future. This purpose has led us so far in our journey.



Wireless connectivity has become a basic need for humans. From getting the food of our choice delivered to our doorstep to being able to connect with people all around the world in just a few clicks, wireless technology is meeting the most basic as well as the most complex needs. Over the years there has been a tremendous surge in demand for wireless technology, and this is only set to grow in the near future. And therefore, it has become pertinent for us to keep investing in our infrastructure to stand and deliver to the growing surge in demand.

Our product portfolio and service offerings are mainly centered around



<b>Towers</b>	By mounting operator antennae at an appropriate height  Our transmission towers are instrumental nodes in the telecommunication network which provides the platform for our customers to attain seamless operations. We deploy the passive physical infrastructure necessary	to house the active equipment (Base Transceiver Station [BTS], transmission link, microwave antenna) of our customers. Towers range from traditional lattice-type structures (ground-based towers, rooftop towers, or poles) to aesthetically designed lightweight hybrid poles, monopoles, or camouflaged towers that merge with the backdrop.
<b>Power</b>	Energy is one of the fundamental facets of our operations. We aim to provide uninterrupted power supply to our customers equipment.  We provide innovative energy solutions for powering our customers' active equipment in a cost-effective way. Wherever possible, we power our towers using grid energy from	state electricity boards. Diesel is utilized where reliable grid energy is not available. To minimize our environmental footprint, we use innovative solutions to ensure optimum use of fuel and also operate renewable energy-driven towers using solar, wind energy and biogas.
<b>Space</b>	We are housing India's telecom and power equipment  We acquire requisite space from residential/commercial property owners (Landlords) at strategic	locations for placing our passive infrastructure. We engage with Landlords throughout the lifecycle to host telecom infrastructure on their premises.

**185,447\***

Total Towers

**136,247**

Ground Base Tower

**49,200**

Rooftop Towers

**335,791**

Co-locations

**1.81**

Closing Sharing Factor

**>2000**

Lean Sites

\*exclusive of lean towers

## Collaboration for Site Acquisition

Over the years, we have seen an exponential increase in the demand for improved network connectivity across the sectors, be it defense, aviation, civil, medical, internet, research, etc.

To maintain the nation's growth with the global pace, site-acquisition for providing better network coverage is very essential. Lack of open space for tower installation has led us to look beyond the traditional methodology of site acquisition and collaborate with different business partners like state governments, Cantts, institutions, municipality, households, transport authorities, defense, private players and various other partners. These collaborations have not just reduced our rental cost but also reduced our concerns pertaining to the maintenance and security of towers.

For a smooth rollout of site acquisition process and nurturing of business partnerships thereof, we have created an institutional acquisition (IA) platform, which helps in collaborating with the prominent industry players.

Some of our key collaborations were:

- New Delhi Municipal Council
- Metros (DMRC, MMRC, CMRL)
- HUDA
- IOCL & HPCL
- Amarnath and Kedarnath shrine
- CWC
- TATA Power
- BARC 10+FTTH
- RSP

We also collaborate with various government institutions to deploy sites on their land and/or buildings and in areas of high footfall, including metro stations, railway stations, and airports.

## Site Acquisition Process

one

Meeting Construction Requirements

two

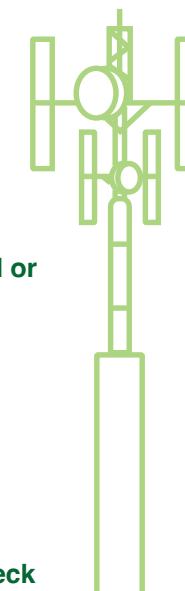
Conducting Field or location survey

three

Zoning / Permits

four

Environment Check



**6,222**

Increase in net towers

(exclusive of lean towers)

**13,353**

Increase in net-co-locations

We found ourselves serving the nation by helping our defence forces to overcome voice clarity and data speed issues. Our acquisitions are expected to facilitate digital payments transactions, address data connectivity concerns and create a robust and efficient digital services network.

Our site acquisitions targets cannot be achieved without our landlords who form a keystone in providing uninterrupted and ubiquitous service. We are constantly improving our systems to ensure we are able to provide the right experience to our over 268,000 landlords.

We have undertaken and successfully executed the setting up of telecom infrastructure for large-scale prestigious events like Haridwar Kumbh Mela and IPL Cricket Match at Wankhede Stadium in FY'22. The Kumbh Mela held in Haridwar, was a challenging installation given the strict law and order along with the on-going COVID-19 Pandemic. We successfully managed to comply with the law and order and placed 12 Cell on Wheels in the Kumbh Mela for a quicker turnaround. Even at Wankhede Stadium, 3 sites were deployed by us in a record time of 3 days before the IPL. It helped facilitate live telecasts of such events, enabling seamless connectivity.



## Building Resilient Infrastructure

Our infrastructure is vulnerable to natural and non-natural threats which not only threatens our business continuity but may also have an impact on our human and financial capital.

### Improving tower excellence

Through our safety management framework and other initiatives, we aim to categorically shift the focus from reactive spending towards proactive investments. During the year we have spent significantly to maintain our infrastructure's health and hygiene to keep it resilient in the time of crisis.

### Strengthening our Safety Management Framework

Indus Towers deploys its infrastructure across the nation in various challenging terrains. While our robust processes and set mechanisms enable us to erect infrastructure seamlessly, we are highly cautious and discreet of the safety of our infrastructure. We are consistent in conducting regular quality checks of our infrastructure viz. towers, poles, gates, roof edges etc. to mitigate any kind of risk. Our sound safety management framework ensures that our towers and poles are strengthened and are up and running even in the times of adversities.

We have built a very resilient infrastructure system in the country that stood as a backbone for nation in the most challenging times of pandemic and natural disasters. Indus Towers shall continue to keep strengthening its safety management framework and be the most reliable partner to its customers.

During FY 2021-22, we have assessed health and hygiene for

**38,271 towers**

Extremely Critical	652
Tower Strengthening +ATR +THAR	5,655
Pole Strengthening	2,029
Tower Maintenance	23,687
Pole Maintenance	4,184
GBM Maintenance	2,064
<b>Total</b>	<b>38,271</b>

### Assessing tower health remotely

Our drone-based assessment of tower health allows us to capture tower and site details remotely. This drone-based system has helped us in reducing greenhouse gas emissions and carbon footprints by reducing the need for physical verifications.

**2,334**  
Indus operations field force

**99.95%**  
Uptime in FY22

**99.98%**  
Critical Sites Uptime in FY22

**21 Minutes**  
average downtime in FY22

## Living up to our mission of transforming lives through our services

The telecom industry is not just a key enabler of connectivity but has also powered the nation's progress despite the challenges posed by the pandemic, natural disasters and unfavourable terrains.

### A story of attitude and altitude

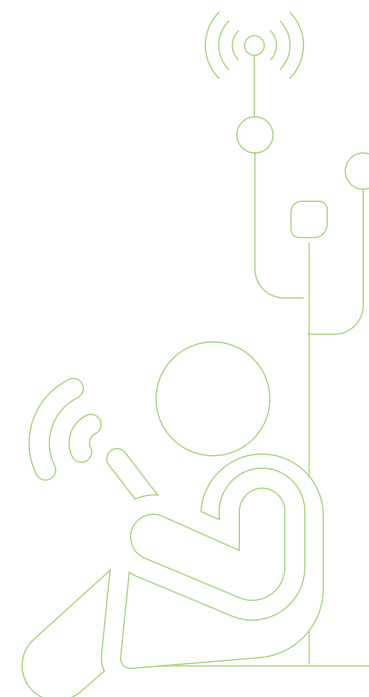
Indus Towers' presence goes beyond the expected. We have navigated our way through country's toughest terrains and highest altitude locations like Ladakh and Uttarakhand. Our success stories are a testament to our capabilities and strengths.

Indus Towers in one of its remarkable feats paved the way for mobile connectivity in the Ladakh Region. Ladakh is a difficult terrain to work in, given the extreme weather conditions and inhospitable routes. Despite the challenges, we have managed to erect a total of 152 sites of which 10 EB Connected sites were set-up in FY 22. Out of these, 5 were a monumental set-up given the critical need of enhancing mobile connectivity in those regions. The site setup was turned around in less than 3 months in peak winters despite the unfavorable weather conditions ranging between 2 degrees and minus 10 degree Celsius.

Our efforts in Ladakh have helped thousands of locals and most importantly the Indian Army. Indus Towers is proud to have served the nation.

In another exceptional feat, Indus Towers has setup its infrastructure in Hemkund Sahib, a place of worship and pilgrimage site in Chamoli district, Uttarakhand surrounded by a glacial lake amidst 7 mountain peaks. Indus Towers erected its towers at the altitude of 13,650 feet. The entire team trekked to the operational site on foot with the material taking 8-10 hours and covering a 14 Km trek on foot.

Our efforts to build a sustainable digital infrastructure across the nation is what constantly drives our purpose.



**Bridging nation's Digital Divide**

Standing together as a partner in the country's vision of 'Digital India', we are enabling the telecom operators deepen their penetration in far-flung rural areas and deliver exemplary experience to millions of Indians.

We stand at a pivotal juncture in India's growth story and true economic growth can be witnessed when equal opportunities are made available across the length and breadth of the country. We take pride to be the custodians of a business model that will make this true and provide wings to India's digital vision.

**Ensuring Rural Connectivity**

The most crucial step in this journey is to serve to the unconnected localities and rural areas in the country. We are steadily venturing towards increasing the reach of our network across multiple villages and small towns.

**Increased footprint in rural areas**



**Connecting the Unconnected**

An exceptional feat of providing

**First Time Connectivity**

One can only imagine how complex the world would be without communication. With the power of technology and seamless digital infrastructure, the way people connect and communicate with each other has been redefined for the better. However, it is saddening to know that many parts of India still lack connectivity and remain disconnected from the rest of the world. Relentless in our efforts for connecting the unconnected, we could celebrate our success stories during the year.

One such area was Barusan mines (belonging to the Steel Authority of India), situated in Keonjhar village, Odisha. To aid telecom connectivity, Indus took up the challenge of setting up a tower base in the hilly forest areas of Keonjhar. This area is home to 700 workers and their families. The entire population of Keonjhar had been living their life with no mobile network coverage. They had spent several years of their life not being able to connect with their family members and friends residing in other parts of the country. Setting up a tower in such a challenging landscape was not easy but Indus chose to look beyond the boundaries. We came forward to cater to the networking needs of the people of Keonjhar. Despite many hurdles, the site was set up with EB supply.

**During the year-built 304 sites in Meghalaya under USOF project covering 500 villages across the Garo, Khasi and Jaintia Hills.**

**Ensuring seamless connectivity**

We have completely digitized our operations and have developed a centralized system for monitoring all sites across 22 circles in India. We have made significant investments for the maintenance of our sites in order to ensure seamless operations and provide strong network connectivity.

Indus Towers has a uniform set of protocols and has digitized the Operations & Maintenance (O&M) process by using Decision Support System (DSS) and Mobile Application. We have also developed work management procedures for our field team to improve our uptime. Our field team is connected to the central teams 24\*7 and we ensure uninterrupted connectivity across the nation.



**100% Network Connectivity**  
amidst heavy snowfalls in J&K and Uttarakhand





## Overcoming hurdles

Our country has been facing the brunt of natural calamities for ages which are on the higher side in the recent years. Amid the second wave of the COVID-19 pandemic, India witnessed three cyclones, Gulab, Tauktae and Yaas, leaving behind a trail of destruction across several Indian states. During such trying times we have dealt with challenges to enable seamless connectivity.

In order to ensure that our infrastructure stands and delivers the Network 24x7 during such adversities, we have developed our Business Continuity Plan “BCP”. This process is developed with the experience we have gained over time from various natural disasters such as Cyclones.

The plan comprises Field alignment - where Tiger Team gets deployed at each location of forecasted area. The team comprises Best Technicians, Engineers, Fillers, ERT (Emergency Response vehicle, equipped with all Material/tools required to recover sites).

This team is further supported by our 24 x 7 Tower Operation Centre working from Gurgaon. This team provides early forecast of Weather/Cyclone minimum 15 days in advance and then keep updating the Tiger Team followed by a Smart Activity Tracker which is used for Field preparation.

BCP is a proven process of Indus Towers which ensures zero disruption or minimal disruption to the network with fastest recovery. There was no major impact on Telecom Network managed by Indus Towers using its BCP process.



**With Business Continuity Plan (BCP) in place, network recovery time reduced from ~15 days in FY 21 to ~3 days in FY22**

### Precautionary Measures taken before the Cyclone

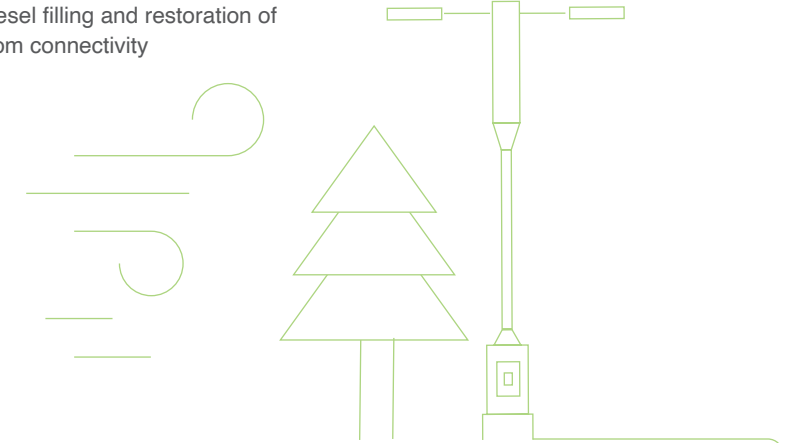
- Adequate fuel availability in Diesel Generator (DGs) with additional fuel stock at Base Station Controller (BSC) and strategic sites
- Mobile DG and Switch Mode Power Supply (SMPS) availability
- Additional vehicle availability at strategic locations and impacted clusters
- Original Equipment Manufacturer (OEM) partner readiness to cater to equipment breakdown
- Keeping regular update on weather condition
- Team sensitization on Safety and Monsoon Standard Operating Procedures (SOP)

- War room at Circles office for round the clock monitoring and special monitoring from Tower Operations Centre (TOC) during the impacted period.

### Post Cyclone – Revival Measures

- Our team initiated an impact assessment and framed revival measures
- Our teams mobilized resources for diesel filling and restoration of telecom connectivity

- Skilled people from unaffected areas rushed to impacted clusters to restore connectivity within shortest possible time
- We secured additional help from nearby circle offices and a partner to resume services. Due to our strong crisis management policy, our sites became functional, in record time



Disaster	Sites in affected area	Sites impacted due to disaster/challenge	Site /network restoration
Cyclone Tauktae in Circle – Gujarat, Maharashtra & Goa, Mumbai, Karnataka, Kerala	50,692	~2,569	1,789 Sites across impacted circles got restored on the same day. Remaining Sites took 4 Days for restoration in Gujarat Circle
Cyclone YAAS in West Bengal and Odisha	17,291	~500	100% Sites recovered within 30 mins using Indus BCP process
Cyclone GULAB – Andhra Pradesh, Odisha, West Bengal	31,420	~551	90% Sites recovered within 30 mins using Indus BCP process. 10% recovered within 24 hours
Deep Depression in various states	12,389	~612	No prolonged outage with the help of Quick Response Teams

## Our warehouse facilities are significant for our manufactured capital

We are a part of a small community of organized warehouse industry in the nation, wherein just 10% of the whole warehouse industry is organized. As part of our perpetual efforts to increase the supply chain efficiency, we have established state of the art warehouse management practices.

Warehouse management has now become a multi-faceted activity and is becoming a differentiator for operational success. We are working towards diversifying the traditional role of warehouses as storage units and expanding the scope of the services they can provide.

The WAREX Certification provided by CII Institute of Logistics is a testament to our efforts towards our supply chain optimization.

Two of our warehouses in Rajasthan and Punjab have the titanium certification that accredits the excellence in class integrated with green concepts. This certification process recognizes our efforts and the practices we follow in our warehouses to sustain our leadership position and to set-up world class passive infrastructure network. This is of high importance to us to set up a resilient supply chain that enables us to erect towers in record time.

Through this certification, we are able to evaluate various aspects like administration, infrastructure, operations, technology and risk and safety, and certify the overall functionality of our warehouses and provide qualitative grading of performance against industry benchmarks.

We have implemented some of the best-in-class green practices at our warehouses which has been recognized by CII and is a benchmark across the sector.

Our Rajasthan warehouse is **India's first Titanium accredited Warehouse (Certified by CII).**



Across the nation, we operate a total of 22 warehouses, several of which have earned gold and platinum certifications in the past. To sustain our best-in-class parameters and functions that are essential to run and manage an efficient warehouse for sturdy supply chain and manufactured strength, we aim to achieve Titanium certification for our other warehouses in the coming years.

Our best-in-industry warehouse practices contributing to our sustainability vision

**19,984 Kg** of CO2 Emission reduction by Solar Plant

**20,067 Kg** of CO2 emission is reduced by Battery operated MHE

**112,320** liters/year water Saved with Initiative of Reutilization of RO wastewater.

**624** litres diesel saved through use of electric MHEs at warehouses and reduced carbon footprints

**Natural** Roof Top ventilation

**100%** Natural lighting during the Day



As digitization penetrates to deeper parts of the country, the demand for telecommunication services and its infrastructure is increasing. We have constantly catered to the growing demand of the nation's needs through our effective value chain and efficient operations.

We conduct our business with integrity focusing on protecting the environment and being socially responsible. Sustainability thus defines the way we operate and maintain our relationship with our stakeholders. During the year under review, we continued to undertake initiatives to save energy. We converted Indoor sites to Outdoor sites, enabled electrification of old non-electrified sites, and facilitated golden cell deployment. We are constantly trying to build green sites, which typically consume <100 liters of diesel per quarter.

We are on the path of setting clear sustainability targets towards which we can demonstrate tangible, transparent progress, to the benefit of all our stakeholders.



At Indus, we strive to sustain our leadership position by providing innovative, reliable, affordable and best in class solutions on the strength of our exceptional leadership and talent pool, cutting-edge technology, digital capabilities and established processes. We rely on our Intellectual Capital to lead, to transform and to deliver exceptional services to our customers and continue to be their preferred partner.



# INTELLECTUAL CAPITAL

Our innovative solutions have helped us establish as the pioneer of Digital Infrastructure in India. We are building ourselves to become future-ready and create value for all our stakeholders through sustainable solutions and practices.

## Indus Idea Incubator

Driving innovation across all levels

## State-of-the-art

TOC facility providing actionable insights

## Technology powered

Mobile field application driving automation & digitisation

## Strong and transparent

Governance framework



## Building a more connected nation to foster growth

Indus Towers is a key enabler and partner for the telecom operators to spread their footprints and connect every corner of the nation, including the most challenging and remote regions. On the strength of our intellectual capital, we will continue to offer innovative solutions and breakthrough technologies to the operators for them to deepen digital penetration in India.

With our intellectual capital framework in action, we aim to lay a strong foundation for the digital infrastructure of the nation while sustaining economic growth and protecting the environment.

### Pillars that shape our Intellectual Capital

#### Leadership

Building future proof processes and solutions led by our strong leadership and effective management

#### Processes

Establishing unique processes that will lead to operational efficiency and smarter solutions

#### Solutions

Developing cutting-edge solutions to combine our innovative and digital capabilities and manufacturing strength for long term sustenance and growth

## An Experienced Leadership that is reimagining the possibilities through innovation

Indus is committed to achieve and maintain high standards of governance, ethics and integrity. Holding the reins of sustainable future of Indus Towers is a prolific Board and leadership team that possesses rich knowledge, skills and extensive experience which help the Company to retain its competitive advantage. Our leadership team remains

steadfast in finding innovative solutions thus helping us stay ahead of the curve. With integrity at the forefront, our leaders are building strong customer and investor relationships that enhance brand loyalty and customer satisfaction. Our leadership is oriented towards steering Indus to a better and greener future.



### Working Together to Catalyze Growth and Innovation – The Power of our People

We believe in nurturing, empowering, and enabling talent at all levels in the organization. Our talent pool plays a vital role in bringing forth a fresh perspective to the strategic priorities of the business, thus helping the organization to move forward and retain its competitive edge. Our ecosystem encourages our employees to share innovative ideas and we pursue breakthrough ideas driven by our people to create a new proposition across our value chain. We foster an open-door work culture that encourages our employees to speak their minds and become partners in the long-term growth of the organization.



## Indus Idea Incubator- Making Ideas Happen

“Indus Idea Incubator” is a platform built to encourage new and innovative ideas at Indus. Employees at all levels, regardless of their rank, are encouraged to submit their ideas through this online platform. Ideas are evaluated on multiple parameters including originality, alignment to company values, circle/function objectives, feasibility, and potential impact. Employees who bring the best ideas to the table are rewarded for their valuable contributions.

Any idea, big or small that can deliver impact in any form or value is integral to us.

**1,296**

No. of Ideas submitted this year

**1,484\***

No. of ideas approved this year

**866**

Yellow Belt Projects

**₹ ~11 Bn**

Benefit accrued during the year

**215**

Replications closed

**17**

Green Belt Projects

**17,920**

No. of ideas submitted life till date

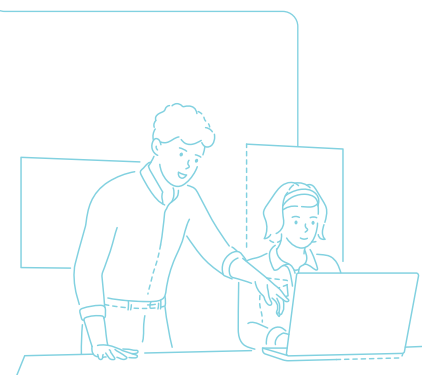
\* No. of ideas approved during this year includes ideas submitted during last year as well.



## Our established “process orientation” is an enabler to our leadership position

Our resilient and time-tested Process Excellence Model has prepared us well and helped us **win the most coveted ‘Deming Prize 2018’** received by our MD & CEO in Tokyo, Japan, which is a testament to our strong processes and practices. We are the **first service sector company in India, fifth globally and 29<sup>th</sup> Indian company to win this prestigious award.**

Post merger, during the year, we were evaluated on our practices and processes to assess our robustness demonstrated earlier. **With our continuous efforts and focus, we have sustained our performance** despite socio-environmental changes that were caused by the COVID-19 pandemic and large-scale natural disasters. This is an indication of our strong organisational capabilities that have been developed through TQM.



### Process Excellence–

Our journey of process excellence enables us to drive a culture of quality management across the organisation. Process Excellence is a systematic approach that helps us ensure customer satisfaction, quality, organisational speed and optimise the cost of doing business under the overarching umbrella of Total Quality Management (TQM), under which we continue to leverage various improvement methodologies such as Lean, Six Sigma, BPM and solutioning through digitalization.

Over the years, we have been self-evaluating through a dynamic and interactive process excellence scoring system. The PE score card measures the TQM health across various functions of Indus. This score card has significantly helped us to work in a defined direction and has consistently made us exceed our desired annual targets. The dynamic Process Excellence (PE) scorecard reflects the current priorities of the organization each year, hereby serving as the single implementation tool to drive a culture of continuous improvement at Indus Towers.



94.4%

PE Scorecard for FY21-22

98%

people were covered under the Total Quality Management Training

### Process Refresh Framework –

With an aim of encouraging the employees to gain knowledge on the processes that are relevant and applicable to them we have **established an online repository of the organisation’s processes.** To ensure its relevance at all times, the online repository is refreshed and updated as and when required through a Process refresh exercise or at least once a year whichever is more frequent.

During FY 21-22

587

SOPs were created and refreshed

394

Processes were refreshed

We have also implemented an ‘**Indus Process Certification Program (IPCP)**’ with the objective of encouraging employees to get certified on the applicable and relevant processes. Leveraging on our traditional digital expertise, we have built a web-based IT tool that has been made available to all the employees for facilitating the process of annual certification.

To ensure alignment between company’s goals and individual goals, we have an **established practice of Policy Management** that has been developed with the objective of facilitating achievement of the Company’s Big Hairy Audacious Goals (BHAGs). The BHAGs have been set with five-year plans in line with the vision and are translated into annual targets called the Annual Building Blocks which feed the Policy Management Framework each year.

Every December, we initiate the process of Policy Development before the Board where these Annual Building Blocks are reviewed and built into the Company’s policy. Functional priorities are also fed in to the Policy Document of each Function Head at a national level which gets translated to the Functional Policy and is then cascaded to their team members across all levels.

The Policy Deployment process is completed by March so that by the beginning of the next financial year, we have the targets and systems in place for each employee in the organization. Further, to ensure monitoring, it, we have implemented a robust policy review mechanism where each employee is reviewed periodically by his/ her manager or other designated people.

## Leading by Example with Quality Control Circles (QCC)

People are our most important asset. To make the most of our human capital we abide by initiatives like Quality Control Circles that encourage our field employees to continually solve problems being faced on a day to day basis in conjunction with our partner technicians, thereby leading to achieving meaningful targets and instilling a sense of fulfilment. The concept of QCC has been adopted by Indus Towers to empower field employees to collaborate for better outcomes in a systematic way. At our field locations, the field service engineer, along with his team of technicians uses simple quality

techniques eg. 7 QC Tools to analyse and resolve various issues. The QCC operates to manage the issues pertaining to energy cost, OPEX cost, Capex cost, safety, and operational efficiency. The successful implementation of QCC has not only resulted in insurmountable benefits for Indus but has also motivated other companies to adopt this model in their organisation.

This year we had

2,000+

QCC Project Closures

### Routine Management through Automation

At Indus, much of our work needs to be managed routinely. Hence, RWM (Routine Work Management) is utilised as a critical tool for identifying, monitoring, analysing, and improving the standards for key process parameters at each level based on roles and responsibilities. RWM is implemented across all levels of the organization. The RWM process is automated for our field employees and includes the following:

- Automated weekly emails to individuals with Target and Actual Data using Decision Support System.
- Availability of trends of RWM Parameters with a click of a button in iMapp
- Enabling Gap Analysis using the automated system in-app.
- Enabling Manager’s review of an individual’s RWM in iMapp itself.
- A specific BEAT Plan for each FSE ensuring 100% coverage of sites in a limited period of time.
- An activity compliance mechanism ensuring all activities needed are completed in one visit, thereby leading to minimized footfall on sites due to multiple tasks done through multiple visits.



## Future Ready Solutions and Products enabled by technology

The evolving industry landscape calls for installing the next-generation infrastructure, and technology to enable customers with faster network roll-out and build a hyperconnected society. Offering innovative and cost-effective solutions is the strategic priority of Indus Towers, and our ever-evolving product portfolio reflects the same.

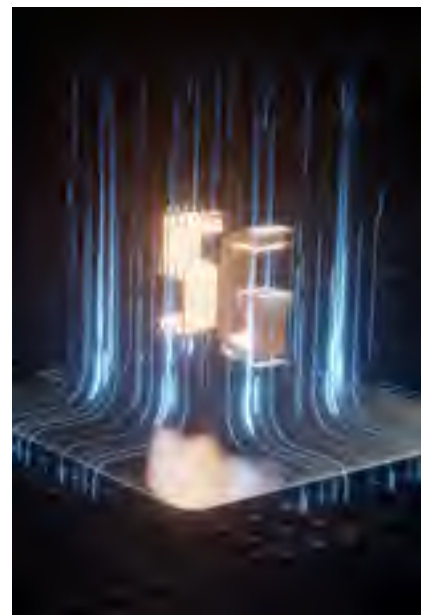
### Fostering a culture of innovation

We have continued to augment our product portfolio with newer, more eco-friendly, and economically viable solutions. Last year, we introduced solutions for **civil infrastructure in the form of feather Poles, Strud Poles, Non-Penetrating Poles, Wall Mounts Solution for plug and play system considering future requirement of feather sites.** Further, we strengthened our electrical infrastructure by introducing Hot Swappable battery switches enabling utilisation of multiple storage technologies at site i.e., VRLA with Lithium and any other technology that would evolve with time. This ensures that capabilities of two different types of batteries can be utilised at a single site thus ensuring better economics. We rolled out **Communication modems** to support our communication channels with a special focus on creating and utilising the information received for the operational betterment.


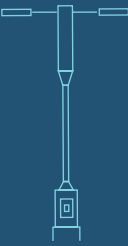




Aligned with our endeavour to reduce the environmental footprint and eliminate diesel emissions from our site, we launched a unique **AI-air based fuel**

cell, and 15 kVA PNG sets. We are also into advanced stages of building and rolling out Solar at the country's roof in Ladakh thereby reducing our dependence on fossil fuels and enabling reduction in carbon emissions.

In line with our vision of supporting quicker and economical rollout for operators we have initiated the launch of **ultra-light feather sites** which enable rollout for operators quickly and with minimum footprint. To enable the same, several initiatives like low footprint power solutions, lighter weight poles, low-capacity batteries and other technical enablement were carried out. To sustain the existing solutions, ID to OD solutioning continues to be strengthened by introduction of newer solutions like Mini DTU and unique Thermo Electric Coolers which would ensure maintenance of temperature within ambient temperature, thereby enhancing the reach of solution and deployment feasibility.



### Our suite of next-gen solutions –

	
Smart infrastructure	Smart Poles
	
Being 5G Ready	Internet of Things
	
Optical Fibers	Small Cells

### Building Smart Cities

Since the time of announcement of the smart city project in June of 2015, we have been a leading player in this space, developing scalable models for several projects. The ability of our Company to provide core digital and connectivity infrastructure for smart cities makes us an integral part of the smart city ecosystem to drive developmental change towards inclusive growth of the nation.

Indus Towers has implemented various smart city projects successfully. These projects involve the deployment of the trailblazing infrastructure across the city. It includes the implementation and maintenance of Intelligent Poles, Wi-Fi services, digital billboards, and city-wide OFC networks that are connected to these intelligent poles and integrated with a central command centre.



### Smart Projects by Indus



Vadodara Smart City Project

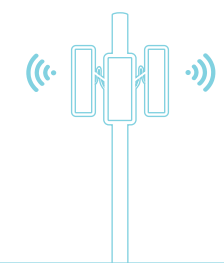
Smart Street Light Poles Project of New Delhi Municipal Council (NDMC)

Bhopal Smart City

Gurugram Metropolitan Development Authority (GMDA) optical fibre network

Dehradun Smart city project

The GMDA project fulfils the dual objective of meeting the digitization requirement of the city and improving its telecommunication services through a robust digital infrastructure highway. The Dehradun Smart city project not only aims to improve the standard of living through citizen-centric network infrastructure but also strives to build shared telecom infrastructure to provide for the improved services in the city. The project involves the construction and management of shared OFC and telecom tower infrastructure to support distinct types of telecom services. This model is easily replicable for other urban centres that require building a robust shareable OFC network.





## Smart Poles

The street light poles are an integral part of smart city infrastructure. These poles act as multi-service delivery points that appear to be streetlights but offer advanced and sophisticated features such as smart displays, environment sensors, and surveillance facilities. These poles also help to create Wi-Fi services.

**To work towards efficient smart poles, we have explored the Fibre to the Home (FTTH) passive network and have established a neutral host opportunity. We in collaboration with our customers endeavour to establish the concept and the business model. FTTH promises to be one of the most suitable solutions for high-speed broadband. In line with our ambitions of building and establishing a robust network connectivity, FTTH holds a huge opportunity in the future.**



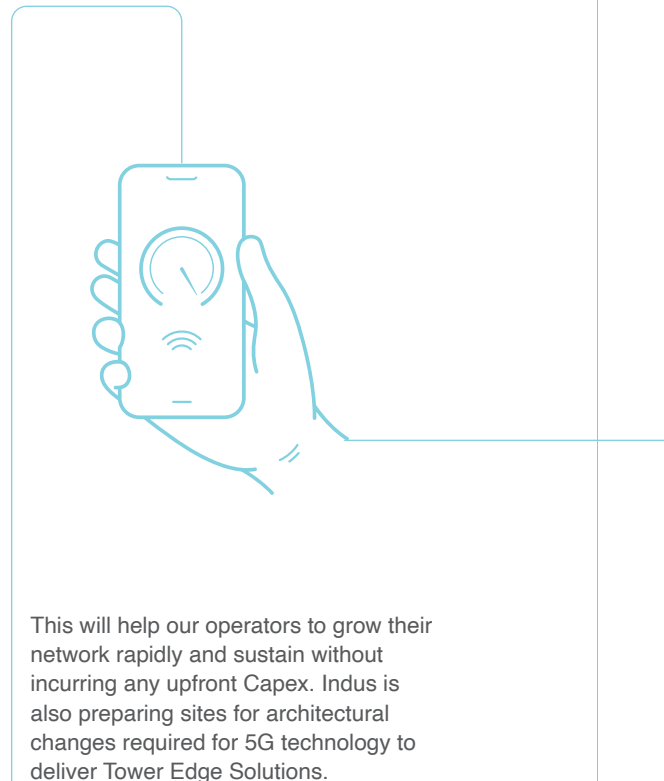
## Being 5G Ready, Being Future Ready

Rapidly changing digital ecosystems and technological advancements play an important role in our service offerings suite. We strive to evolve and upskill our capabilities with the transitions. We are aware that we are at cusp of next round of digital revolution and technology will continue to be one of our strategic priorities. Therefore we are taking small steps to make the most of the next big development in technology i.e., the 5G era.

With the commencement of the 5G era, we are consistently striving to upgrade our systems and facilities at different sites in the country to ensure a seamless transition to the latest technology. For the sites that are severely loaded, solutions such as shared/multiport antennas are being explored besides tower strengthening initiatives. Additional poles are being installed as per the operator requirements and site conditions.

These measures will also help in the seamless installation of Massive Multiple Input Multiple Output (MIMO) Antenna Solutions (Active Antenna Units) and other essential components of 5G networks at existing sites. We have designed and built microwave mounts to fulfil the requirement of coplanarity of E&V band MW radios. We have been currently focusing on two segments- In-building solutions and Small cells that eventually would become integral for completely transitioning to 5G.

In the coming years, we are aiming to introduce a complete range of solutions which include making small cell infrastructure solutions available to the operators at cost-effective rates. We are exploring opportunities to offer 5G Small Cell as a Service (Indoor/Outdoor versions).



This will help our operators to grow their network rapidly and sustain without incurring any upfront Capex. Indus is also preparing sites for architectural changes required for 5G technology to deliver Tower Edge Solutions.

## Small Cells

The ambition towards providing digital and robust connectivity to the entire country is reflected in our strategic priorities. With the progression towards 5G, we have developed small cells to provide connectivity to the inaccessible and rural parts of India.

Small cells are wireless carriers that are used to densify the existing wire networks and provide and cater to the data capacity demands of 5G. Small cells are a solution to allow the re-use of the same frequency to increase cellular capacity, quality and build resilience. They form an integral part of the future LTE networks.

Small cells are supplementing macro cells for enhancing the coverage as well as capacity and can help in a faster and optimized network rollout. For 5G, the introduction of higher spectrum bands that necessitate denser network

deployments to support larger traffic volumes per unit area, would necessitate the deployment of small cells further.

To achieve this, deployment of small cells on Street Furniture will a viable option. The street furniture is established and owned by various administrative authorities such as DISCOMs, Municipal Corporations, Smart City administration, Railways, City Metro corporations. The Authorities had proposed to carry out four pilot projects one each covering a Port, Airport, Metro line and a congested city area in a smart city. Indus was selected as Lead IP1 to deploy small cells at Street furniture at Kandla Port and Bhopal Smart city.

The scope of work for the pilot includes identifying the existing Street Furniture suitable for deployment of Small Cells and aerial fiber and identify the minor up-gradations, if any, which can be done

easily to make them more suited for the purpose.

These pilots are expected to bring out issues faced, and the policy interventions required, standardized designs/processes, if any, and will help TRAI/DoT to come out with a white paper or guidelines on the subject. This will also help in educating the states, local bodies and controlling administrative authorities and in process help TSPs and IPs in faster and cost-effective roll out of infrastructure/ services using street furniture.

At Indus, we aim to increase our portfolio of small cells and build scalable models for smart cities by integrating digital infrastructure with existing infrastructure.

## Optical Fibers

**At present around 33% of telecom towers are connected on fiber in India which needs to be enhanced to at least 70% to serve 5G requirements.**

Our strategy for future growth foresees optical fibers to be an important opportunity for building robust connectivity infrastructure. With growing demand and the launch of 5G technologies, the need for introducing optical fiber has increased manifold.

We support the Government of India's initiative to increase the digital penetration in the country and to achieve that we have enabled Optical Fibre Cables (OFC) connectivity at cell sites that supports 4G and 5G technologies and accelerates data growth and digital economy. Indus is committed to enabling each site with optic fibre by playing a major role in deploying duct and dark

fibre for the last mile connectivity. With fiberised sites, the space, power & tower dimensions can be optimised which results in cost effective operations. With a high capacity of data and low cost of operation, operators can offer advanced data services at a very competitive price. In line with our environment conscious commitment, we understand that deployment of optic fibre cables in turn helps in reducing carbon footprint, as fibre optic cables help in saving energy. Adoption of optical fiber is both environmentally and economically sustainable.

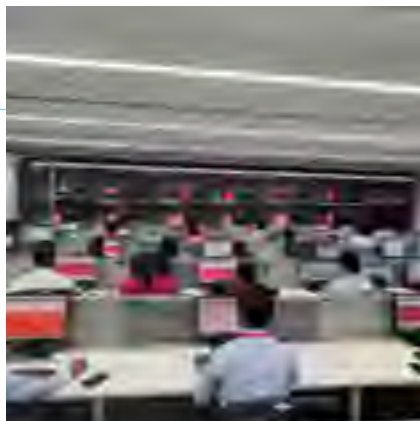
## Internet of Things (IoT)

With 5G's anticipated launch in the country, Indus Towers is exploring opportunities to implement IoT and fixed energy models to counter fluctuations in energy prices that have a direct impact on the operations. In addition to decreasing the CAPEX, its proper implementation could be a game changer enabling faster, more stable, sustainable and secure connectivity.

The use of IoT could help monitor energy consumption and enable the Company to devise solutions to reduce its emissions and costs.

## Enabling seamless operations via Tower Operating Center

We strive to enable seamless operations via the nextgen Tower Operating Center (TOC). To drive and sustain the digital transformation we have structurally altered our operations. We have moved from being capex-heavy to capex-light. The Indus Towers Operations Center (TOC) is a state-of-the-art facility that caters to one of the most fundamental requirements for company-wide operations. With our service footprint expanding to 22 telecom circles across India, our new TOC is one of the biggest operations centers in the industry, managing 200+ Operations Support Systems under one roof. It is built to provide an end-to-end tower management solution offering a spectrum of benefits including top-line maintenance, on-the-go reliable tracking measures, tracking energy utilization, and sustainable energy practices.



**The Tower Operating Centre has been helping us in moving towards our ambition of a better and greener future.**



**Energy Helpdesk-** It increases the effectiveness of tower monitoring. With regular reporting of connection issues, energy controllers can easily manage diesel requirements for various sites. It also enables the Energy Team across all circles to analyze energy requirements in real-time and reduce carbon footprint.



**Landlord Help Desk-** Seamless communication is established with our community of landowners through singular tracking of all incoming complaints, followed by efficient resolution of issues if any, by the TOC.



**Finance Helpdesk-** Delivers input to the Finance team with concise reports on billing and revenue generation. This helps the team in ensuring that the bills raised are accurate and enables the implementation of on-time corrective measures to generate revenue.



**Mobile DG Helpdesk-** Each mobile DG is connected to the TOC helpdesk where details about the disbursement of fuel and payment requirements can be easily noted. With access to real-time updates, sites can maintain a seamless supply of energy.



**Lead Conversion-** Continuous tracking and analysis of leads allow us to earmark different sites for acquisition. Getting real-time analytics for Field, Circle, and Corporate teams enables quick action. TOC also enables centralized solutions for streamlining the management of the smart city and fiber operations.



**ESH Helpdesk-** Single point of contact for 22 telecom circles to record incidents and take corrective actions with defined SLAs for closing the incidents. The helpdesk enables the Company to keep all our Employees, Partners, and Technicians under a comprehensive safety net, 24\*7.

## Technology is the way of life at Indus

Information Technology at Indus is responsible for driving digital transformation by the application of new and existing technologies to solve business challenges and meet new requirements, mainly driven by our customers and the environment. As an integrating function, Information Technology brings various functions and stakeholders together on our platforms and ensures that what is appropriate for the business as a whole gets delivered. Maintaining the availability and performance of our application and infrastructure despite continuously increasing demands, and ensuring the security of our applications, infrastructure and data are two other key deliverables.

In 2021-22, there were three major areas where IT played a pivotal role. First, the impact of the subsequent waves of the pandemic persisted through a large part of the year, driving demand for remote onboarding and productivity from remote or hybrid workers. Secondly, integration of platforms between the erstwhile Indus Towers and Bharti Infratel was required to be accelerated to enable the Company to work as one team using one process nationally. Lastly, the pent-up demand for additional simplification and functionality from the previous year along with new requirements due to further customer requirements and process improvements identified during integration came up for execution.

### Some not able deliveries in FY22

#### iReceivables

Implemented iReceivables functionality in ERP which offers full visibility on invoices to the customers and provides a platform for efficient disputes management. 12k+ disputes were raised on the iReceivables portal from its launch (Jan'22) till Jun'22.

#### iCare Landlord App

A self-service platform enabling landlords to upload documents and see all property related details and raise incidents for any issues was launched in the year. This allows landlords to get all the details relevant to their relationship with Indus without having to follow up or call various stakeholders. 7800+ landlords have been registered since its launch in March 2022.

#### IAA (Indus Analytics Anywhere)

In this year, we enhanced Tower Operations Centre capability by upgrading the IAA, adding several new capabilities to improve process efficiencies. We also integrated streaming data of more than 30,000 additional sites into IOT platform to enable better resolution of issues and improved analysis of data leading to further efficiencies in the system.

#### Digital Signature

In compliance with statutory requirements, Digital Signature is to be affixed over Operators' invoices which was a manual exercise till last year, however, post implementation of Digital Signature functionality in Billing in FY22, 100% of the invoices are automatically signed thereby bringing efficiencies in the system.

#### iMapp - New Deliveries

Enhancements in iMapp continued throughout the year with the addition of functionality to resolve customers' post-RFAI issues and provide quick resolution of the same with full visibility. To improve safety compliance, e1@risk via video call from iMapp was implemented which reduces risky field movement and site footfall, brings efficiency to the TSPs who can now secure remote authorization to work in real-time, and gives Indus the assurance that only suitably trained people work on the site. 4500+ e1@risk done since its launch in April 2022.

Some multi-year large simplification projects such as **e-Invoicing, Material Movement and Fixed Assets controls** got delivered resulting in reduced manpower and improved accuracy and compliance besides addressing the critical audit points



**Key IT Applications**

IT Application	Purpose	Usage Stats
<b>iSQ (iSmartCube)</b>	<ul style="list-style-type: none"> <li>Supports the SR to RFS process</li> <li>Provides visibility to Customer and Internal Stakeholders</li> </ul>	<p>~<b>60k</b> SRs booked per month on an average</p>
<b>ERP (Enterprise Resource Planning)</b>	<ul style="list-style-type: none"> <li>Supports Finance and Supply Chain functions in Day-to-Day Operations</li> <li>Property Management and Enterprise Asset Management modules to support Site Acquisition and Operations</li> </ul>	<p><b>750k</b> accounts payable invoices generated in Mar'22 as compared to 500k in Mar'21</p>
<b>iMAPP (Field Force Management)</b>	<ul style="list-style-type: none"> <li>Supports Field Force in Operations, Deployment, Site Acquisition, and Estate, enhancing Customer Delivery</li> <li>Facilitates Beat Plan and Process Adherence through RWM on mobile including graphs, CCA capture, and reviews and Operations</li> </ul>	<p>Supported <b>23k+</b> field force in Mar'22 compared to 18k+ in Mar'21</p>
<b>DSS (Decision Support System)</b>	<ul style="list-style-type: none"> <li>Real-time intelligent visual reporting dashboard connected to 20+ source applications</li> <li>Self-service platform empowering users to create their own reports</li> </ul>	<p>Usage increased from <b>51k+</b> in Mar'21 to <b>112k+</b> in Mar'22</p>
<b>IAA (Indus Analytics Anywhere)</b>	<ul style="list-style-type: none"> <li>Used to manage Tower alarms</li> </ul>	<p>No. of alarms processed per day increased from 2 Mn to <b>3 Mn+</b> post-integration</p>

**Key Field Force Functionalities Delivered**

Key Deliverables	Business Case	Usage Stats
<b>iDeploy</b>	<p>Automation of minor sharing/upgrade (iDeploy1.1) and new build (iDeploy2.0) SRs related milestones</p> <ul style="list-style-type: none"> <li>Daily Project Progress</li> <li>Real-time update to offer quality</li> <li>Document scanning feature</li> </ul>	<p>iDeploy1.1 - <b>619k+</b> deployment activities in one year iDeploy2.0 - <b>422k+</b> deployment activities in one year</p>
<b>iManage</b>	<ul style="list-style-type: none"> <li>Used to track estate-related activities through ticketing to the Estate field</li> </ul>	<p><b>482k+</b> estate-related activities in one year</p>
<b>iAcquire</b>	<ul style="list-style-type: none"> <li>Used to capture daily visits made for new site acquisition</li> </ul>	<p><b>353k+</b> new build &amp; institution-related activities in one year</p>
<b>iValidate</b>	<ul style="list-style-type: none"> <li>Used for verification of active equipment punched in SR vs mentioned in MRN copy</li> <li>Regularize identified gaps through additional SR by implementing Change Management Process</li> </ul>	<p><b>59k+</b> SRs validated in one year</p>



## Information Security

One of our biggest responsibilities is to ensure the security and integrity of the Company's computing assets, platforms, and most importantly data. Our three-pronged strategy involves:

- i) investment in and implementation of state-of-the-art software and equipment,
- ii) continuous improvement tightening of our processes and policies to ensure they are appropriate for the threat level and
- iii) building awareness among all users including employees, associates and partners who use our systems and our infrastructure to discharge their duties.

## No Security breaches

in FY22

50+

fake domains, apps, and social media pages were taken down in FY22

### Technology Enablement

Over 2021-22, we carried out a substantial upgrade from anti-virus to next-generation threat monitoring technology, Endpoint Detection and Response (EDR). EDR software was implemented on all our endpoints. Apart from EDR, enhanced AI/ ML-enabled Brand Protection was implemented to help identify and take down questionable posts on social media platforms.

### Processes & Policies

From a process point of view, a Security Operations Center was implemented with strong incident and event management processes to enhance Indus security posture.

### Building Security Culture

Awareness activities (including Information Security Awareness Week, spear phishing exercises, and e-Tips) are conducted regularly and over the last year, a lot of effort has gone into bringing the newly acquired employees, associates, and partners to the same level of awareness that we had achieved in previous years.

As a result of these activities, we continue to have a robust security program with a good track record of identifying and eliminating cyber-security risks with no breaches to report over the year.

## ISO 27001:2013 Certification

Extended to TOC facility besides DC, DR, and corporate office

30+

security tips were released via email in FY22



India's Digital Connectivity needs are growing very swiftly. With the number of active users increasing year on year, Indus Towers' avenues for growth to serve the growing demand has become an utmost priority. While our excellent Manufactured Strength driven by our skilled and competent workforce is expanding our presence, we also realise the need of the hour is to bring in cutting edge technology to completely disrupt the space.

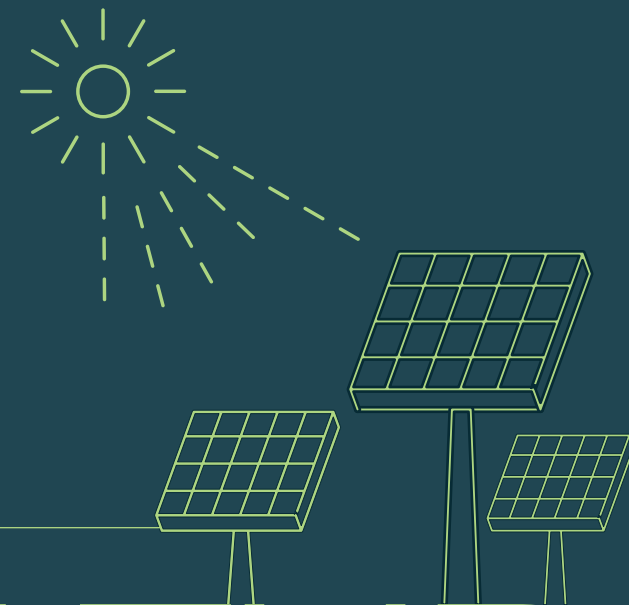
# Way Forward

Our inherently sustainable business model coupled with future avenues for small cells, 5G, Optical Fibres and IOT expansion has the potential to cater to the needs of people globally. Our intellectual capabilities have stood the test of time and have been the biggest enabler for our operators.

Indus Towers is well prepared for the Digital Revolution and has already taken strides in that direction. Our ambitious growth plans are also aligned to our vision of environmental accountability, and we will ensure that our endeavours result in making a positive impact in reducing our environmental footprints.



Indus Towers has built a robust and dynamic Pan-India infrastructure network. We are committed to truly living our credo of Putting India First and transforming billions of lives across the nation. While we leave no stone unturned to serve to the needs of the present generation, we also make sure that the future generations' ability to utilize these resources is not compromised.



# NATURAL CAPITAL

We believe what is good for the society is also good for the business. Enabled by this belief, we continue to invest in initiatives that help us create an environment of responsibility and accountability.

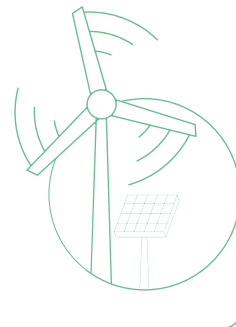
We are committed towards growing our business in the most sustainable manner. We have developed many innovative solutions and introduced unique industry-first initiatives in the form of Green Measures and always been a front-runner in promoting energy conservation. While we recognize that telecom is an energy-intensive sector, we are constantly steering and going an extra mile to reduce our environmental footprint.

We are continually aligning our efforts with the United Nations Sustainable Development Goals (SDGs), with a clear objective to meet our environmental commitments.



## A Sustainable Model for Environment Stewardship

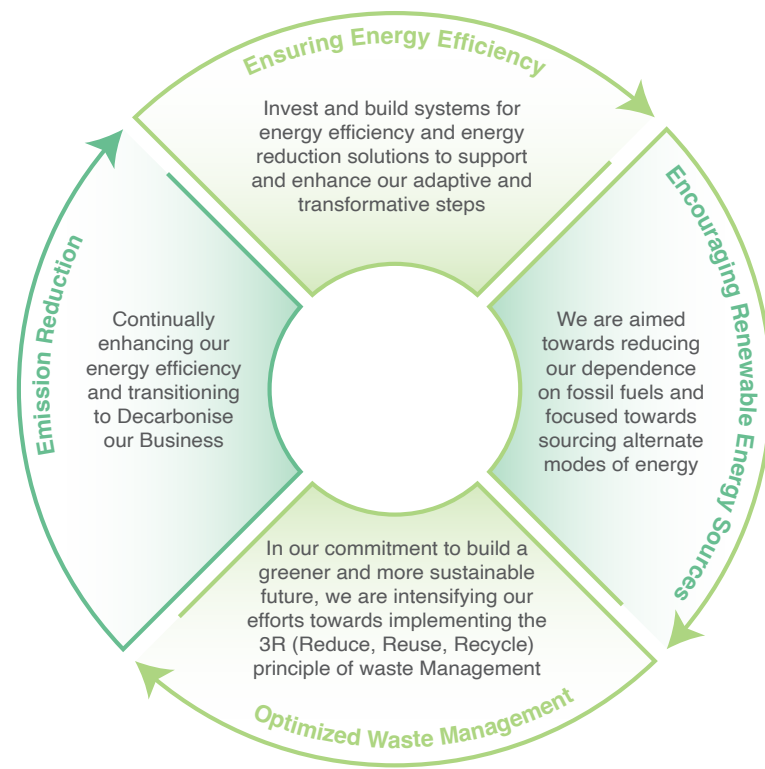
Through our inherently sustainable infrastructure-sharing business model we are positively contributing towards a green future. **Our business model directly promotes optimum resource utilization. A concept that not only mitigates duplication of infrastructural cost but also ensures lower energy emissions.** Our portfolio's strength lies in having an infrastructure that caters to the entire nation while having relatively lesser environmental impact.



Protecting the environment is one of our core values and as stewards of the environment, we have adopted the highest standards of environmental excellence in our operations. We have established sustainable solutions to reduce our environmental footprint through reducing our dependence on fossil fuels, transitioning to renewables and energy efficient solutions, reducing emissions and managing waste better.



### Our Key Green Focus Areas



## Battling climate change through Emission Reduction

At Indus Towers, we are committed to truly serving our purpose of meeting the connectivity needs of millions of Indians, through reliable, affordable, and quality digital infrastructure. This goes hand-in-hand with our philosophy of protecting the environment.

We are aware of the compounding effect of climate change on businesses and the environment. Thus, we recognize our responsibility to contribute to the global reduction of emissions and are on the path of setting targets and adopting additional measures to curb our greenhouse gas (GHG) emissions across our business operations. Together with our customers, we want to develop an environmentally sound ecosystem that yields distinctive value for all our stakeholders.

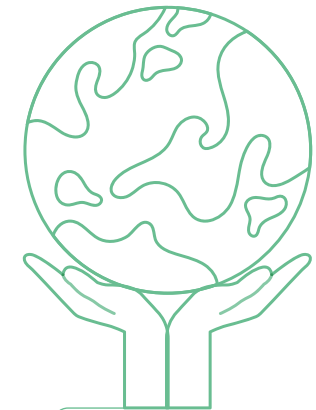
We assess our dependence on conventional and non-conventional energy sources to identify gaps and proactively **adopt commercially and technically viable alternatives to minimize our reliance on carbon-intensive energy sources.** We believe our success is measured by not only maintaining industry-leading uptime at the sites but also through our reduced dependence on fossil fuels.

**More than a decade ago we embarked on the journey of greening our infrastructure and in 2011, we were the first company to introduce Green Sites and Green Cities, which were not just diesel-free, but also demonstrate top-notch network performance.** From decisions to actions we have come a long way on our journey to sustainability, as we continue to deploy resources to build

more effective solutions for a greener tomorrow. We have a green site network of **78,667 sites** that makes up **42% of our portfolio.** We have significantly reduced our dependency on diesel and are committed to further limit the use of diesel in our operations.

**Our multifaceted strategy for lowering consumption along with operational efforts, has generated significant benefits and a considerable reduction in diesel usage.**

Energy efficiency has a central role in tackling climate change and is one of the major ways the world can meet energy service demand with lower energy use. It notably reduces GHG emissions, both direct emissions from fossil fuel combustion or consumption, and indirect emissions reductions from electricity generation.



**78,667**

**Green sites\***

**9%**

**Diesel consumption reduction since FY20**

**31,363 MT**

**Savings in CO2 Emission through diesel reduction during FY 21-22 considering increase in co-locations**

\*Sites consuming less than 100 liters Diesel in one quarter



## Acting as trustees of non-renewable resources for our future generations by encouraging renewable sources of energy

In our ambition to emerge as the leading cutting-edge digital infrastructure provider, we seek to accomplish cost and energy savings, ramp up infrastructure development while maintaining the highest quality standards in all our operations. We are committed to aligning our goals and activities to accomplish our objective of becoming a green entity and to achieve this we are sourcing alternate modes of energy, enabling us to increase our operational efficiency and remain competitive.

Focused towards our aspiration of becoming a green entity, we take pride in our industry first initiatives

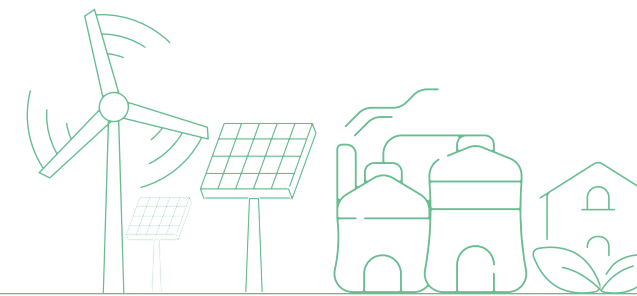
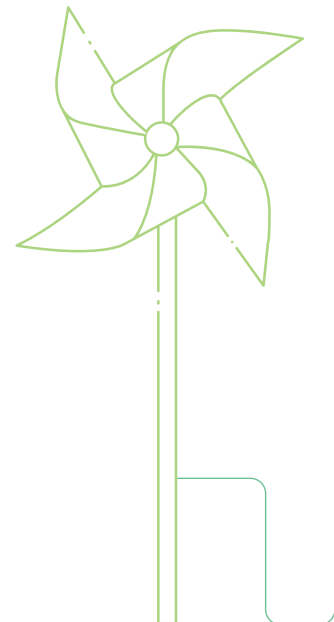
### Solar Intervention for distributed and RESCO Partnership

To reduce our dependency on fossil fuels, we have been developing solar footprints in the industry. In one of our unique first-of-its-kind initiative, we have explored a well-structured Solar model blended with battery storage. Post a successful pilot wrap-

up in FY22, the prospects and feasibility of its implementation seems viable.

We also have collaboration with Renewable Energy Service Companies to power our towers with renewable energy and

undertake community power development initiatives in rural areas. It is one-of-its own kind RESCO model whereby renewable energy is currently supplied at 211 sites and we envisage many more sites in the coming years.



**1,450+**  
Solar sites

Due to change in our operating model, our solar footprint numbers have reduced. However, we continue our focus on increasing and strengthening our solar footprints and solutions. In collaboration with our customers, we are evaluating solarization of Non-EB sites in Leh and Ladakh, India's solar capital. Once deployed, the system would aid in lowering fuel usage on-site and overcoming the challenges of transporting diesel and associated auxiliary to the challenging terrain locations of Leh and Ladakh. As a result, we anticipate lower carbon emissions, cost savings and increased uptime, delighting customers and the community altogether. We have also put together a whole solar structure that incorporates charge controllers, solar inverters, and a combination of both.

As part of our **strong commitment to a green future**, we have concluded trials for methanol-based fuel cells which are now ready to be implemented in our operations. We have also begun to deploy gas gensets on the site as part of our efforts to replace diesel gensets, allowing us to use natural gas, which is a cleaner and more affordable source of energy.

### Piped Natural Gas

India is envisaging a gas-based economy by increasing the share of natural gas in India's primary energy mix from 6.2% to 15% by the year 2030.

At Indus, we have been leveraging the potential offered by expanding the use of Piped Natural Gas (PNG) to replace diesel generator at our sites. In addition to being a cleaner and greener energy source compared to Diesel, PNG also provides several benefits over diesel generators such as being weather-proof, low noise generating and engine controlled. It also offers an expanded distribution channel thus making it a preferred energy source.

### Fuel Cell Solution

Fuel cells are a future energy system with a high potential for environment friendly energy conversion. They have lesser Green House Gas and Sulphur Di-oxide emissions compared to traditional fossil fuels thus making it an ideal pick under our Green Measures. We have successfully conducted a pilot on fuel cell technology in our northeast circles.

### Wind Turbine Solution

Wind Turbine seems to be a feasible energy source for some of our locations due to the favorable site conditions. We have done pilot projects at select sites in Rajasthan.

### Site Storage Solutions

We upgraded our electrical infrastructure by incorporating Hot Swappable battery switches, which allow use of several storage technologies on-site, such as VRLA with Lithium and any other technology that emerges over time. This enables that the capabilities of two different kinds of batteries may be used at the same location, resulting in superior economics.

### Biogas

Indus Towers has attempted to implement Biogas solutions in Rajasthan. We are yet to formalize our processes around this green measure as it has some challenges around inconsistency in supplies and quality.

## Improving Energy Efficiency

Increasing energy efficiency is vital to achieving our targets and will remain a key driver in our emissions reduction efforts. We are focused towards laying energy-efficient strategies that will help us lower our carbon footprint, lower energy costs, and optimize infrastructure utilization levels without affecting our economic progress.

We have created and deployed power management solutions that guarantee enhanced efficiency through a reduction in energy loss and form factor. We have successfully mastered modularity and can now install a smaller and more flexible power management system that can be adjusted solely on a need basis. Distinct types and sizes of power management systems can be simply installed at locations based on requirements. Our energy management systems help us identify inefficient equipment for replacement, which ultimately enables us to reduce our carbon footprint.



The heart of our business supports Transformation for Better Future. Our Transformative Solutions create positive synergies amongst our financial, manufactured, natural, intellectual, human, social and relationship capabilities, where all these strengths merge together to drive more efficient use of infrastructure and resources. Following are the significant initiatives undertaken to optimize energy efficiency at Indus Towers:

**To significantly reduce total energy consumption and emission, we have been steadily progressing on our path to converting our Indoor sites to Outdoor sites (ID to OD). So far, we have converted 85 percent of our sites to outdoor.**

**Under our Shut AC initiative to replace air conditioners with free cooling units, which consume less energy and are specifically designed to control the internal environment of cell site enclosures, we installed solar-powered and large-scale micro cooling cabinets, natural cooling systems, twin-turbine units, dual turbine units, and large-sized HEX-based micro cooling units as replacements at various locations. NCU (Natural Cooling Unit) is a first-of-a-kind solution which has been implemented in the telecom industry across the world. Our objective is to adopt more NCUs to reduce our energy consumption.**

**To limit our DG Set usage and progress in our journey of improving energy efficiency, we have installed higher capacity battery banks to run the sites purely on electricity and storage back-ups.**

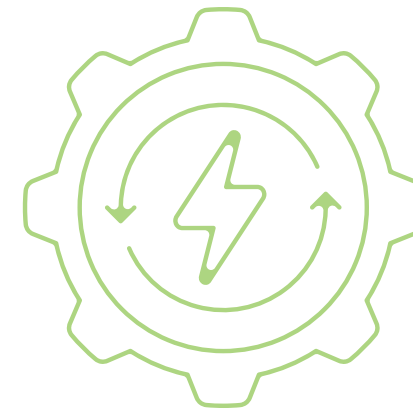
**Use of high-end VLRA and Li-Ion batteries**

**With the addition of TESU and LVCS technologies, battery options have been enhanced. It offers technological solutions for the operation of multiple battery banks.**

**HTC batteries with added durability and greater charging capabilities are being evaluated to see how significant they will be in the future.**

**35,301**  
DG Free sites

**6,416**  
DG Free Eco lite sites as a new product



**>99%**  
sites are electrified sites

**33,535 MT**  
of CO2 saved during FY 21-22 through energy efficient solutions

**We collaborated with the operators on the "ECO Site Initiative," to create DG-free sites (from Day 1), which were powered solely by Discom-supplied electricity with battery backup. This notion of building permanent green sites without any DG assistance represents a new beginning in the Green Telecom Sector.**

**At crucial sites, where air conditioners are still essential for the maintenance of operators' equipment to improve upon existing cooling systems, we have continued to employ high efficiency aircon to reduce energy consumption. Precision air conditioning is also continued to be rolled out for greater loads with extremely sensitive cooling requirements.**

**Installed the latest high-efficiency rectifiers, variable ACDG kits, and DCDG kits**

**Encouraged the use of advanced batteries, high-efficiency power systems, and energy-efficient equipment to conserve energy.**

**The Golden Cell Deployment has been put in place to increase backup hours and thus reduce diesel generator usage.**

**Optimized DG Sets and other equipment's at the site to reduce emissions. This has allowed us to have a dynamic energy configuration and manage our resources well.**

**Low-cost intelligent solutions have been created to boost energy efficiency further, and they are replacing older Power Interface Unit or PIU-based power systems. It guarantees an extended life of PIU-related infrastructure, as well as a reduction in energy losses incurred in old and aged PIU.**

**Switched to an optimal electricity feed by moving from rural feeder to urban feeder to ensure consistent and quality supply of electricity from DISCOMs**

**We have 100% LED lighting at sites. The LED lighting installed at our sites is estimated to be six times more energy efficient and have a total lifespan nearly 10 times longer than traditional lighting. The LED lights also require less maintenance.**



## Efficient Waste Management

In our commitment to build a greener and more sustainable future, we are intensifying our efforts towards more efficient waste management. Waste reduction and recycling is our preferred approach to waste management.

Being the largest passive infrastructure service provider, we consume significant number of batteries, electrical and electronic products. We classify batteries as hazardous waste; ACs, PIUs, SMPS as e-waste; whereas towers as other non-hazardous waste. Assets purchased and deployed for use are managed throughout the life cycle as per the guidelines and rules defined by the Govt of India.

Enhancing the lifespan of our assets like diesel generators, power systems, and other electrical infrastructure through renovation and maintenance is one of our strategic ways to sustainably control waste creation and further minimize the impact of the hazardous waste on the environment. Focused in the pursuit of our goals, we have also made existing battery banks durable by rejuvenating batteries.

Once the batteries are retired from operations, assets are brought back at warehouse locations wherein a detailed health check is performed by engineers and experts to classify the assets either for reuse or for scrap. If an asset is classified as scrap, as part of our extended responsibility, we sell the same to government authorized and certified recycling agencies through online auctioning service of MSTC Ltd (Govt of India enterprise) who ensure proper disposal and recycling. We sell our scrap to vendors selected through a fair and open auction for repurposing.



We are dedicated to restoring our steps in the direction of waste management that will not only incur considerable cost savings but also help us meet our sustainable goals.

**100%**

of our battery waste is sold to registered scrap re-cyclers

## Responsible site decommissioning and repurposing of materials

We strive to optimize our civil infrastructure through the redeployment of dismantled towers. Post dismantling, there are materials that can find their use for other operational purpose. Our first priority in this asset re-use process is to bring in circularity by using the materials for a secondary purpose. However, when repurposing materials is not a viable option, we aim to recycle/ responsibly dispose the materials.



## Waste Management at Indus Offices

We at Indus are committed to make a positive contribution to the environment and sincerely implement every small and big initiative. We take responsibility for waste in our offices as well. We have laid processes for proper disposal of office IT waste, consolidated bins for recycling, composting and landfill. The employees at Indus Towers are encouraged to go digital and reduce their paper usage.

### Paperless @ Indus

We have incorporated Digital Invoicing and Partner Help Desk (PHD) Centralization to reduce paper usage in Invoicing. Post the merger, we continued the digital invoicing initiative for our partners and also extended it to the new partner base. Soon 100% of our partners were consigned to Digital Invoicing through multiple training sessions.



**100%**

Digital Invoicing

**13 Mn**

Per annum reduction in sheets of paper

**₹ 7 Mn+**

PHD Centralization Saving  
In terms of efficiency and infra cost

**1,300**

Trees Saved Annually

Reduced Road Travel for our Partners

IT Waste Management

We have taken measures to implement easy and credible ways of disposing the IT waste generated by Indus.



Eliminated the use of single use plastic water bottles in the offices and replaced with stainless-steel bottles



Replaced disposable cups with reusable mugs at offices



Encouraging the use of jute bags in packaging instead of plastics

Doing our bit for Better Tomorrow

Our operational capabilities are driven by our combined strengths. While Indus Towers takes every measure to reduce its overall environmental footprint, the people @ Indus are highly motivated to contribute their bit towards nature's well-being.

Employees and their families come together every year to joyously celebrate the **World Environment Day** as a part of their voluntary Personal Social Responsibility. This re-instills our sense of purpose of "**Environmental Responsibility and Accountability**", that steers Indus Towers Business. This year's theme for World Environment Day was **Ecosystem Restoration** where everyone came together to plant trees. Our Natural Capital's Performance and our purpose of environmental good is greatly driven by our impeccable Human Capital.



In the spirit of a Better Tomorrow, Indus Towers also celebrated the "Joy of Giving" Week. The people at Indus Towers came together to donate personal items for recycling, tree plantation, book donations and mentoring underprivileged children.



150

Hours of Employee Volunteering for Environment Initiatives during "Joy of Giving"

Water Management at Indus Towers

Though our operations are not water intensive, we recognize water is an essential shared resource and we have taken actions to reduce our consumption. We proactively look for ways to conserve water by conducting internal campaigns with our employees to educate and increase awareness about water conservation. Our actions are also aligned to our intent - Our offices use sensor-based taps and flow restrictors to reduce the water wastage. We will continue implementing feasible measures for water conservation both at our sites and offices.



Indus Towers is paving the way for a better, greener and well-connected future. We envisage our actions to transform the digital infrastructure space and sustain Indus Towers' position as a front-runner in the global mission to build a sustainable future.



# Our Future Prospects

With our well-designed and future proof implementation plans, we are on the right path to be a significant player in the decarbonization story of the industry. Our successful pilot projects will become our greatest enablers in the near future assisting us in our journey to transition to renewable energy sources. We believe we are on the right path of sustainable growth and shall expand on our collaborative mobilization model by partnering with many more RESCOs and our suppliers.

Our ambitious plans of limiting diesel usage will cut through in reducing the absolute emissions in our industry. Our focus going forward will be to ensure a consistent supply of clean power for our company operations as well as the communities where we operate. We recognize the urgency and are accelerating our actions through adaptive and transformative steps.



Indus Towers' long-standing success as the leading telecom infrastructure provider in the country is sustained through our dynamic talent pool. Our people are our most valuable asset and are an integral factor in our success. It is their development that shapes our organizational capabilities and therefore, we encourage a business environment where individual goals are aligned with the goals of the organization.



# HUMAN CAPITAL

At Indus Towers, we strive to strengthen our people culture with continued commitment to our values, people engagement, well-being and diversity. We strive to offer an experience by which every employee feels valued in this journey of growth.

**3,248**

Number of full-time permanent employees

**4.62**

out of 5  
Employee Engagement score

**113,752**

training man-hours  
12% increase since FY21

**76<sup>th</sup>**

Percentile Rank as per Gallup India Database





It is the combined potential of our talent, guided by excellent leadership and strong innovation that has helped us reinforce our position as preferred partners in building a digital India. Our HR practices are focused on bringing the best in our people and nurturing their talent. We continuously focus on developing and implementing policies and programs for the welfare of our people.

Our people practices are at the heart of our operational strategies. We embody the Company's mission, philosophy, and vision and aim to provide an environment for our talent to grow and flourish.

**We strive to offer a**  
**D**iverse,  
**I**nclusive,  
**F**air,  
**P**rogressive,  
**S**afe Environment  
 to our employees.

At Indus Towers, we believe in enabling critical and differentiated talent in new categories and channels, strengthening capabilities in a high performing team, winning talent through a compelling employee value proposition, and reconstructing our ways of working and people policies to stay ahead of the curve and sustain resilient development. It is the innovation-led strategies of our employees that make them a substantial contributing factor to our intellectual capital as well.



## Talent Attraction and Performance Management

We at Indus Towers, believe that our employees play a crucial role in catalyzing growth and innovation in the organization. Therefore, we aim to build a future-ready, resilient, and nimble workforce. Our strategic approach to creating a pool of best-in-class talent is guided by a three-dimensional approach:

- 1 **Attracting the talent,**
- 2 **Retaining the better,**
- 3 **Advancing the best.**

Our unique employee value proposition and integrated approach to employee development align organizational values with the personal values of the employees thus helping them achieve breakthrough results.

**We focus on three strategic areas to build and nurture our human capital:**



Creating a Future-Ready Workforce



Building Leaders for Tomorrow



First Handpicking, Then Hand Holding

### Creating a Future-Ready Workforce

Becoming an employer of choice is one of the many strategic priorities of Indus Towers. We invest in our people to enhance our operational and process efficiencies, emerge as a leading player in the market, and create enduring values for our stakeholders. Our hiring practices are focused on finding the best fit for the organization. We encourage and attract a young, agile, diverse, and technologically advanced workforce.

Our collaboration with esteemed campuses and universities of the country allows us to hire best-in-class talent who have the potential to be the growth engines of Indus' digital-first future.

To facilitate a smooth transition, a campus to the corporate program and a comprehensive development program have been designed which include different sets of training and learnings for the new Graduate Engineer Trainees to ensure that the standard learning outcomes are met. The STEP-UP program which is part of this development program also helps to train and guide these campus hires to adjust and assimilate into the corporate culture.

### First Handpicking, Then Hand Holding

We believe in hiring the best talent and nurturing them to create an environment where they can deliver their best. Indus has a very robust, multi-layered, and transparent performance management system, cemented to enhance productivity, performance, and engagement of the employees.

### The performance cycle at the Company is bifurcated into four phases to ensure concerted support and monitoring.

- |  |   |
|--|---|
| <p><b>1</b></p> <p>It starts with goal setting that enables all the employees to set targets they want to achieve in the coming year.</p>                | <p><b>2</b></p> <p>A mid-year performance review is conducted which is followed by a</p>  |
| <p><b>3</b></p> <p>post-mid-year satisfaction survey. This helps employees understand and reflect on their own performance and areas of improvement.</p> | <p><b>4</b></p> <p>The last stage of the performance cycle is a year-end performance review which enables employees to self-evaluate their strengths and weakness and request feedback and support.</p> |

At Indus, various surveys are taken to gauge employees' responses to their well-being and work satisfaction at the Company. Basis those surveys, action plans are chalked out. Indus also establishes Key Performance Indicators (KPIs) related to people's agenda which helps the employees partner with business effectively. These KPIs are tracked monthly at the organizational, functional, and circle levels.

### Building Leaders for Tomorrow

We have developed a Talent Management Framework in order to obtain insight into the present competencies of the workforce and to ensure that we have the appropriate person in the appropriate role when it comes to developing a leadership pipeline for the future.

### The Talent Management framework offers skill and excellence-based



development for High potential employees (HiPOs) across all three levels to maximize their productivity, performance, and engagement by helping them identify and leverage their talents and strengths.

A rigorous methodology is adopted to prepare our managerial talent pool for the next step in their career journey in the organization. This includes a development program focusing on areas such as management, action projects, and executive coaching.

**Planned Talent Management Process at Indus:**

Post-merger, we evaluated our processes and created strategic road map for planned interventions in Talent Management with the following key programs outlined below, initiated in FY 21-22 which will continue in FY 22-23

**Revitalization of FORCE Competency Framework**

The objective is to make the competency framework reflective of the competencies required for the merged entity, revitalization exercise of the current competency framework is in place.

**Revitalization of Lakshya Career Path Framework**

The career path framework is being revitalized to provide the employees with a roadmap for their long-term growth in the organization. This helps in enabling HR/ business/ employees to have a shared framework of skills, provide

managers and employees with a structured framework against which they can co-access capabilities/ skills that drive performance in current roles and that will be necessary for growth into next level roles and provide a basis for the individuals/ managers to envision their growth and undertake steps to work towards it.

**Career Conversation**

Career conversations are held wherein the employees are enabled

to probe within and analyze what roles they can aspire for. To fulfil their aspirations, employees can build a career development plan entailing intervention required and work upon them accordingly.

**Job Evaluation**

Job evaluation to operate more effectively and to make more informed decisions when it comes to pay and reward, career planning, and organizational design and development.



**Upskilling and Providing Opportunities**

We aim to emerge as a transformational leader in the digital infrastructure industry and our competent workforce is an integral force inching us closer to our vision. To ensure the holistic development of our employees we have a structured framework that offers various training and development programs to employees at all levels. These programs are designed to provide multi-dimensional support to our employees that transcend beyond their role in the organization.

Our training and upskilling programs for employees and field technicians are structured in a manner that provides continuous development. In the last 2 years, we have conducted more than 229,991 learning hours of training, out of which 121,046 hours were conducted in FY 21-22 including the employees exited the organization.

To help our employees move forward in their career trajectory, we offer various career advancement and development opportunities. Our E-learning platform provides learning on the go i.e; employees can access our learning modules anytime and from anywhere. We have made available 100+ quality



modules on the platform catering to their different training needs. Our business continuity planning training covers 99% of our employees.

A balanced approach in training mode of delivery was adopted where the yearly planned learning hours were delivered through e-learning programs and blended programs in a 50-50 ratio.

**Training Need Identification**

We focused on Training Need Identification for each of our functions at a broad level under the Functional, Behavioral and Technical competency categories. Basis these training needs, learning interventions are designed and implemented across the organization.

**Behavioral trainings**

Indus Towers provides a wide range of programs that help in nurturing communication and behavior of its employees. A competency development program has been designed that covers objectives of performance at the workplace, improvements and upskilling required, and safe and ethical practices.

**Functional and Technical training**

Learning modules have been designed for various departments and core teams- operations, deployment, site acquisition, Finance, and IT. Along with these, there are technical trainings that departments are required to undertake such as Mod-0 online program which is an infrastructure equipment training module covering aspects like a diesel generator, air conditioner, power plan, battery bank, etc. This program has been developed for enhancing the technical knowledge of technicians, field support engineers, and O&M members. Functional training also includes modules such as the Indus Field Competency program (I-FCP) and Tower health Survey training especially designed for field technicians to improve their technical competency.

**113,752**

Learning hours for active employees (behavioural, functional & technical training) achieved this year

**99.7%**

Active Employee coverage

**Mandatory Trainings**

Any new hire at Indus Towers is required to undertake a 5-day mandatory training assigned through the OLC. These trainings are required to be completed within a month of their joining. Topics covered include- Indus Code of conduct, POSH- prevention of sexual harassment, KAVACH- safety training, Information security, and Anti-bribery and anti-corruption. Total Quality Management is provided to all the employees at Indus.

Unique Participants (FY 2021-22)	
Behavioral	Functional
<b>1,764</b>	<b>3,174</b>
Mandatory	Technical
<b>3,224</b>	<b>1,727</b>

**Mandatory Training on Anti Bribery and Anti-Corruption (ABAC) –**

This year we launched ‘Anti-Bribery and Anti-Corruption (ABAC)’ policy which supplements the principles set out in the Indus Code of Conduct and applies to all Employees and Associates with the purpose of providing guidance regarding - Compliance with applicable ABAC Laws, Recognition of and dealing with Bribery and Corruption issues and Avoidance of Bribery and Corruption risks by third parties acting on the Company’s behalf and in Company dealings with third parties.

**Competency Development Program (CDP) –**

Competency Development Program is one of the strategic projects and we ensure that 100% employees should be trained under this program. It is a functional training module developed for every unique role in the organization, which covers three major objectives namely- The job of the employee, the way of doing the job and the tools and processes needed to do the job. As a strategic process – every new joiner and any employee with a role change would have to undergo Competency development program before taking up the role. We focus on employee’s safety and do not allow to operate them unless they have gone through this learning module.





**Continued Education Program**

We stand committed towards the continued development of our employees to enable each of them to reach their full potential. In line with this commitment, Indus encourages employees to pursue higher education from premier educational bodies and institutes. This will add value to employees' existing skills and knowledge, thereby enhancing their ability to perform in the current or future roles.

We have a Continued Education Policy which provides to the employees financial assistance to go for skilled courses and certifications which are in line with their career development.



**Fostering a safe workplace**

Operational policies at Indus are structured in a way that foster a culture of safety and care. We have taken various initiatives to take care of the needs of a diverse workforce of field workers, employees, and contractors.

Indus Towers celebrated the 51<sup>st</sup> National Safety week from 4<sup>th</sup> to 10<sup>th</sup> March 2022 at all its circles and focused on creating awareness.

As a responsible employer, keeping people safe is essential to our mission. At every Board meeting, we have a discussion on health and safety, and we strive to comply with the highest international norms



Indus has ESH policy which is the guidance document from senior management demonstrating intent for creating a safe and healthy workplace. Based on the geographies of the workplaces, various measures are taken to ensure the safety and health of the workplace. Mapping of each workplace with provisions such as fencing of transformers, roof edge protection is being done during the design part itself. Various campaigns, safety advisories, training and awareness sessions are being organised to create a positive safe behaviour. At sites, numerous initiatives have been taken to ensure the safety of employees that includes reporting of safety near miss and incidents, earthing of all metallic structures, identification of unsafe towers / poles and correction, Tower and pole maintenance and strengthening regime.

**Environment, Safety & Health (ESH) Management**

Indus Towers has ESH management that has been implemented across all the Indus Towers circles for its employees, associates and partners. The ESH spells out the written processes supported with Standard Operating Procedures which provide the guidelines for the field force & individuals to comply with. Governance processes to monitor the ESH implementation, progress on recommendations and progress on creating "Positive Behaviour" at work is also done periodically. Such governance programs that operate at circle and corporate level are - Circle ESH Council, Partner ESH Council, Partner CG meetings, Corporate operations review in the management committee meetings.

**iMapp**

There are multiple channels established to identify the hazards, risk assessments, and communicate these hazards to the field force. In order to improve safety compliance, many functionalities have been delivered via iMapp platform (Field Force Management App) that allow

employees and workers to report any kind of incident, hazard, near misses, HiPO incident and any violation or breach of safety compliance. A thorough investigation is done for each incident, and necessary actions are taken on the learnings from these incidents across our sites. A ticket is assigned to the respective individual after validation and progress is monitored till closure. In addition to digital transformation activities carried via iMapp, many other campaigns are launched to identify the hazards at the sites like Project NoTe, e Safe campaign.

**Project NoTe**

Project NoTe, a safety campaign was aimed for behaviour correction and at identifying unsafe transformers and fixing anti-climbing and fencing of the same. This was a 60-day program that made technicians sign an affidavit for not working on unsafe transformers and EB lines.

Under the Family connect program, the technician's families were given the Learning Booklet. Their details were uploaded on iMapp and were connected by Field Support Executive/ Area Operation Managers/ Circle Leadership Team. The affidavit stating that the technician shall not work in unsafe conditions, was uploaded on iMapp and was validated by the FSE/AOM. The transformers and EB sites were checked for any safety-related issues and all the checks conducted were recorded under iMapp.

To abide by the safety related protocols, everyone visiting our sites is required to wear minimum PPEs like Hard Hat, Reflective Jacket, and safety shoes. Wearing different types of PPEs for every activity like Work at height, electrical and Material handling are ensured at our sites.



**Project Kavach**

The growth in number of locations and expansion of business meant a greater number of associated partners with us. This also led to an increase in safety concerns and therefore a new initiative was launched- Project Kavach.

- The first phase started from April 2020 till September 2020. It had controlled measures like protecting the workers by providing them PPE kits, incident reporting, PTW compliance and safety training programmes. The second phase started in October 2020 and continued till October 2021. The phase had a Cat-A (Fatality) action plan, a closure to incident reporting, the electrical earthing connections and remote suite auditing.
- The third phase started in November 2021 and is still running. This phase comprises safety control measures during operational and deployment activities, partner development and Cat-A i.e., a fatality action plan.

A monthly scoring for all the circles is done and consolidated scores are also calculated for the year and the best performing circles are rewarded.

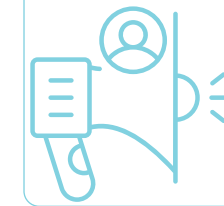
The performance of a Circle is measured on Key performance index (KPIs). ESH consists of 10% of the KPI of a circle, which is the highest percentage for a single parameter. Individual KPIs on ESH are there for the Deployment/Operation and SCM functions along with the Business Head of the circle.

**Road Safety**

In our industry, workstations are in the form of tower sites that are located at distant places. People need to travel from site to site for both, planned and unplanned activities. More than 12,000 people on roads across India at a given point of time are working for Indus. We have a strict Road travel policy for renting vehicles for employees, partners, and customers. We monitor the travel of our field team members and we have created a set of non-negotiable safety rules which is based on the activities undertaken by employees, partners, and customers. This non-negotiable set of rules is called the 6 Life Saving Rules (LSR's).



**Employee Engagement and Well Being**



**Employee Engagement –**

Indus offers a basket of opportunities that helps employee to develop deep association with the organization. To create and sustain an emotional and lasting relationship with employees, we have developed a **Well-being Framework comprising four factors**



Our engagement programs are designed to boost motivation and understand the contributions made by them towards the organization.

**Purpose & Community Well-being**

Our Personal Social Responsibility (PSR) program helps bring out positive change in the Company. As an employee volunteering program, it allows employees to engage in community services by contributing their time, resources, and capabilities.

**1,100**

**volunteers participated and impacted a total of 9,000 beneficiaries through the program in FY 21-22**

Employee engagement programs at Indus in FY 2021-22 comprised of 'The Sensitization workshop' and the quiz on 'Understanding Disability'. On the occasion of World Environment Day, a quiz on 'Daily Waste Composting' was arranged with 184 participants. The Joy of Giving week was celebrated with employees participating in events such as recycling drive, plantation drive, book donation drive, food distribution, clothes donation and visit to old age home.

**Emotional & Social Well-being**

At Indus Towers, we aim to create an environment where our employees can perform to the best of their abilities. Therefore, some of our programs are designed to fulfill their Emotional & Social wellness for the overall development of our employees. To create a culture of appreciation,





reward and recognition programs are conducted not only for appreciating each other but also celebrating success together. Our Leadership team regularly connects with our ground force to understand the ongoing issues and extend support to the team as a part of field employee connect programs.

An event Coffee Connection was conducted where top leaders were invited to join employees for coffee and share stories about their life journey, their way of working, and their take on various topics prevalent in the industry.

**Number of field connect programs and engagement activities such as Family Day, Indus Premier League, Indus Talent Hunt were organized throughout the year for employees and their families.**

**Financial Well-being**

We provide Financial wellness program to enhance the ability of our employees to manage their finances better thus ensuring a financially stable future. In FY'22 we organized programs that provided crucial learnings on avenues like Tax Planning, Insurance Cover, Financial Wellness Enhancement, Savings and Investing, etc.

**Health & Physical Well-being**

We are committed to protect the health of our people. During pandemic, we made sure that we gave the highest priority to the safety of our employees, this was reflected in our initiatives like continuation of home cover, assistance guidance plans, awareness webinars and COVID helpline for immediate support. We continue to spread awareness about Physical and Mental well-being amongst our

employees through webinars on physical and mental wellness. Topics such as health & nutrition, boosting immunity, meditation, parenting, and child-care, digital detox, stress management, mastering sleep, etc. are covered. In addition to this, we promote health and well-being by planning and implementing policies like executive health check-ups, medical insurance policies (GMC), Group Term Life Insurance Policy (GTLI), Group Personal Accident Insurance (GPA), and maternity benefits and paternity leaves including adoptions.

**Sailing through COVID**

The past two years were very challenging for the entire humanity. In such extraordinary circumstances, we gave the foremost priority to the safety of our employees. Online sessions were conducted to spread awareness on topics like breathing techniques, post-recovery routine, COVID care in children, precautionary actions against omicron variant, etc.

Rigorous awareness campaigns to explain the benefits of vaccination were carried out, which, resulted in 100% of our employees getting their 1<sup>st</sup> dose of vaccination and about 91% of our workforce being fully vaccinated.



Support was extended to the employees and their families during the second wave of COVID-19 by providing access to hospital beds, oximeters, oxygen cylinders, concentrators, teleconsultations, food deliveries, medicines, etc. We identified that our field manpower was at the highest risk of exposure to the virus. To ensure safe operations of our field manpower we extended our support via the distribution of PPE kits and the inclusion of Home Care Treatment Indemnity Cover as a part of existing GMC policy.

The IT team and the admin team worked together to ensure people stayed connected and no work was hampered. In the gradual return to the workplace, a hybrid model was introduced, and all safety protocols were followed in the office.

**100%**

**Of employees were enabled to work from home to facilitate a productive environment**

**Indus Employee Engagement Survey 2022: Speak Your Mind (SYM)**

Speak Your Mind is the annual employee survey involving all employees to seek feedback and rank the Organization on important Engagement Parameters. The survey results are analyzed and shared across the Organization at the Enterprise, Corporate, Circle, Functions and Managerial levels.

The survey had a participation rate of 93% with an overall engagement mean score of 4.62 and a wellbeing score of 4.66 out of 5. We conducted discussions on SYM feedback to understand the issues raised by

employees and to find solutions for these through Focused Group Discussions across locations and bands. This year we made sure that the results and feedback of the survey was taken from everyone so that the voice of all employees can be considered while creating an action plan. The key focus areas that came out from the discussions and the survey feedback were Recognition, Career Progression, Learning & Development, Best Friend at workplace and Financial Wellbeing. In March 2022, Indus Towers won the Gallup Exceptional Workplace Award for the 9<sup>th</sup> consecutive time.

Indus Towers has set an example for several organizations in India by leading the way and demonstrating how putting people front and center in organizational initiatives can lead to achieving higher levels of business performance.

Indus Towers values - ExCITE -- Excellence, Customer, Integrity, Teamwork and Environment, foster a culture of alignment and trust where employees find more fulfillment in their work. Despite several challenges, Indus Towers has navigated change through its sound people strategy. It is building a culture where change is seen as an ongoing process for self-growth and progress.

**Our ninth consecutive Gallup Exceptional Workplace Award is a testament to our people culture.**



**4.62**

**out of 5 ESAT score in 2022**

**93%**

**Response rate Employee Engagement Survey 2022**

**Co-creation of Mission & Vision of the organization**

The concept of Large-Scale Interactive Process (LSIP) was not new to the organization. Its impact has been massive and seen over the years.

**Hence, we embarked on a journey to co create the vision and mission for the merged entity since we believe that each voice in the organization matters and is equally important.**

This was also an opportunity for the people to identify themselves, their actions with the ExCITE values of the organization.

It took 5 workshops with diverse groups and 19 LSIP full day sessions contributing to 31,000+ man hours and 3400 employees participating to come up with our unified Vision, Mission & Value framework.

The Unified vision, mission & value framework was launched by our leadership across locations on the day of 1 year anniversary of the merger. The cascade plan consists of a yearlong activity starting with circles and functional townhalls and FGDs by the leadership to help employees understand what it stands for us. The cascade plan consists of numerous activities such as Dilemma Workshops, Value Month Celebrations, ExCITE value feedback, Awards Nite, Functional Document Creation linking to the Vision and Mission-extending to Goal Setting & Policy Deployment.



## Diversity and Inclusion

'Fair Treatment for All' is a principle that Indus Towers intensely follows. We encourage a diverse workplace which fosters inclusivity and offers equal opportunities to everyone to showcase their talent and move forward in their career trajectory. Our commitment to treating everyone equally is backed by our progressive policies, promoting a diverse and inclusive workplace.

### Equal employment and growth opportunities

### Assigning roles as per employee's capabilities

### Discrimination free pay

Initiating diversity in its true sense is the policy and practice of our company and therefore we take initiatives that can truly help us forge ahead on this journey:

- Being committed to diversity, the Company has introduced an internal referral program with a higher referral bonus for the new females joining the organization.
- The Company launched an all-women's network program called iWIN which aims at creating networking and learning opportunities for female employees. The networking sessions by the

female leaders are organized on a quarterly basis.

- Policies focused on women in the workplace include a Gender-neutral policy for Prevention of Sexual Harassment (PoSH), pick and drop facility for women employees in case of extended working hours, GM-level room eligibility for all women employees under a travel policy.
- Bringing diversity within the organization- measured as one of the KPIs in the people Metrics Scorecard
- Certain roles earmarked for diversity

As an organization, we have upheld the highest standards for creating a diverse and inclusive workplace. We inspire and encourage women in the workplace, equal pay, equal opportunities for knowledge and skill enhancement, transparency, shared growth, and no hierarchical constraints.

While being an engineering and hardcore technical organization, where availability of diverse talent is limited, share of women in our total employee population is 5.8% and we are determined to improve this year on year.



We celebrate women and their achievements. On International Women's Day 2022 the women employees at Indus talked about how Indus is playing a pivotal role to encourage and inspire women in the organization to 'Break the Bias' in their everyday life.





## Unleashing excellence through the power of recognition

At Indus, we believe that organizational performance is driven by fostering a culture of appreciation and recognition. Post the merger, we embarked on a new journey to create a culture of mutual appreciation leading to trust building in the organization through our unified R&R framework.



### iAppreciate

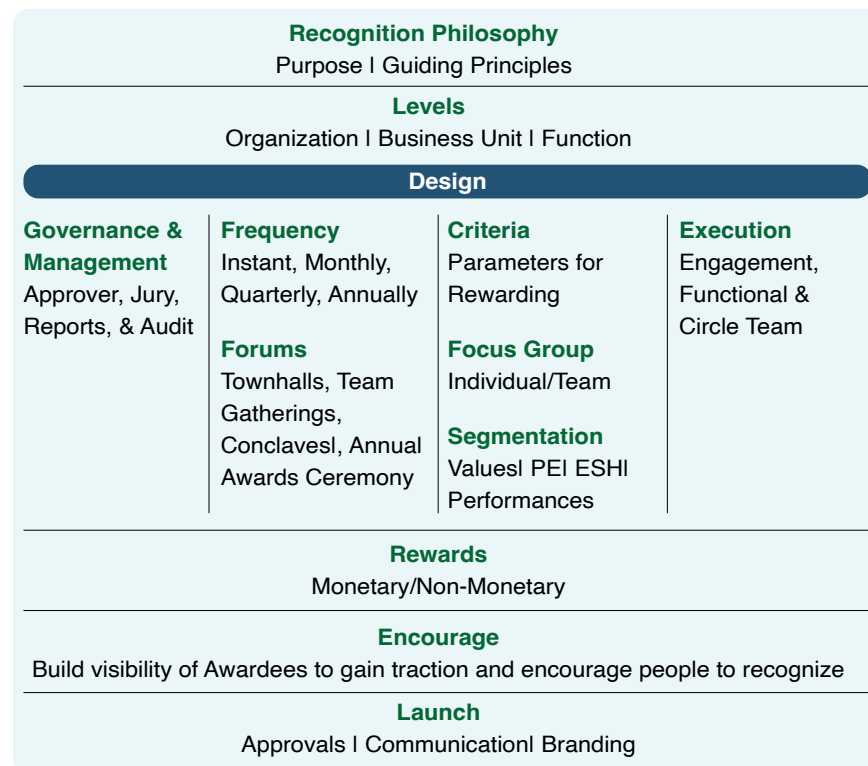
FY 21-22 marked the launch of our digital reward & recognition platform called iAppreciate. I-Appreciate is a spot recognition program that provides an opportunity to recognize the Company's employees for a "Super Job" on the spot. The program is an initiative that is devoid of bureaucracy and levels and is a great step towards true recognition. Through this platform people are instantly appreciated for a 'job well done' through Monetary & Non-monetary recognitions.

63k

Monetary and non-monetary awards within 9 months of the launch

73%

employees were recognized at least once either with monetary or non-monetary appreciations



### ExCITE Awards

The Company value awards are presented to employees who exhibit exemplary behaviour related to Indus values. The awards are categorised as:

<b>ExCITE Star of the Month:</b> Awarded monthly at circle and corporate level	<b>ExCITE Star of the Year:</b> Awarded annually at circle level
<b>ExCITE Value Champion:</b> Awarded annually at organisation level, for each value	

### Organisation & Function Level Awards

Process Excellence and Environment, Health & Safety awards are awards that are presented to circles, functions, teams and individuals, monthly, quarterly or annually, for excelling in different areas of work.

### Long Service Award

At Indus Towers, we believe that a simple thank you goes a long way to make

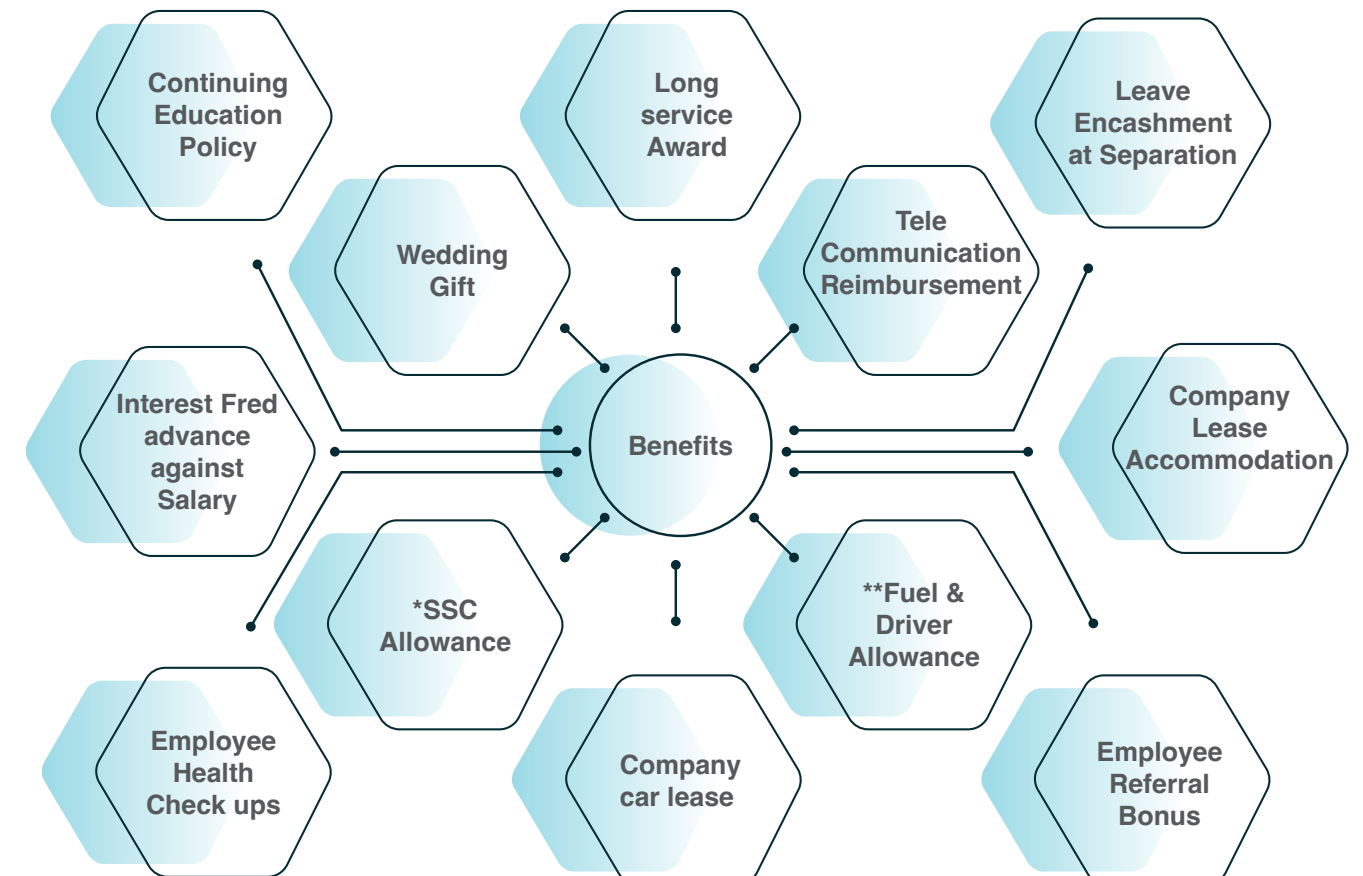
our employees feel good. Thus, we appreciate the efforts and hard work of employees who have been associated with us for more than 5/10/15/20/25/30 years by giving them a long service award.

### Total Rewards Statement Revamp

Indus has a total rewards framework and benchmarking that contributes to attract, retain and motivate high-performing workforce. We motivate our employees in

multi-dimensional ways including through Incentive plans, payouts, and ESOPs so that they achieve their highest level of performance. We have moved towards making our Total Rewards Statement and Compensation Manual reflective of the overall philosophy imbibed by the organization in this view. The compensation structure of the Company provides not only the monetary benefits which are inclusive of the total rewards but also the non-monetary benefits which help in providing an enabling work environment.

#### Some of the benefits are:



\*SSC Allowance is only applicable to employees who work in Special Status Circles (SSC)  
\*\* only applicable incase Company Car Lease is chosen

In our endeavour to build a sustainable future, we, at Indus Towers, aim to develop strategic partnerships with our stakeholders. We hold a two-way communication to foster valuable and collaborative relationships with them and further strengthen our position as a **preferred partner**. Stakeholder inclusivity and prioritization ensure the correct understanding and adequate response to stakeholder needs, interests and expectations. We will continue to build and nurture strong relationships with our stakeholders including customers, government, communities, suppliers and landlords.



# RELATIONSHIP CAPITAL

The strength and transparency of our stakeholder relationships empowers us to sustain our leadership position and to deliver towards our mission of transforming lives.

**268,000+**

Our landlord  
community

**2400+**

No. of suppliers/  
business partners

**Catering**

to all telecom  
operators in India

Standing together  
with Government in  
its vision of  
**'Digital  
India'**

**197,000+**

Our shareholders

**91%**

Landlord satisfaction  
score

**₹ 11/-**

Dividend per  
equity share

**4.42** out of 5

Customer satisfaction  
score

**81** out of 100

Partner  
satisfaction score





## Creating value for Customers

As the largest facilitator for digital communication in India, Indus Towers strives to empower all telecom operators with an extensive and reliable integrated infrastructure and a suite of distinctive business solutions. To retain their trust in Indus Towers, we operate our business on an operator-neutral and non-discriminatory platform. Our 'Customer First' approach enables us to continuously work towards transforming our customer experience through innovation and technological developments that provides them with efficient, future-ready and resilient solutions.



### Indus Towers commits to ensure value creation for customers, based on three fundamental pillars-

#### Staying on Pulse

The Company maintains transparency while communicating with the customers to gain and retain their trust. This approach also helps us understand their concerns and expectations. We also strive to perpetually improve our established relationships with the customers, and work on their feedback to identify key areas of improvisation.

Customer satisfaction surveys are conducted through self-administered web-based interviews, and through an online independent third party hosted survey. These surveys help Indus to gain customer insights and empower the Company to understand the areas of improvement.

These not only solve the purpose of serving the customers better, but also help Indus to build the trust of customers in its services.

#### Engaging the Customers

Customer engagement takes place at both the operational and strategic levels to get in a holistic perspective of the expectations. We engage with our customers through regular meetings and Annual Surveys.

#### Adding Value for the Customers

Indus Towers is continuously delivering high quality and sustainable services to the leading telecom operators in the country. These services link the Company indirectly to a vast pool of mobile phone users across India. Our innovative solutions have given us an edge-over in delivering enhanced efficiencies, which has resulted in reduced cost for the customers, and given them a chance to participate in the Infrastructure build-out in India.



### A trusted partner to our customers

In a competitive telecom industry, operators are striving to strengthen their market share by offering attractive services to their end-users. To enable our customers, achieve their goals, each day, our on-field and off-field teams adapt to address their specific and evolving needs.

Along with our customers, we are fulfilling the responsibility of building a cohesive network ecosystem. This will set the pace for a new chapter in digital communications. Keeping 'Customer Delight' at the heart of what we do, we endeavor to go an extra mile to deliver services to our customers even on the most challenging terrains and empower our customers spread their footprints across length and breadth of the country. Our operations team works tirelessly to reduce downtimes and put forward quicker solutions for multiple problems that disrupt the normal course of operations. We weathered several natural calamities and unanticipated challenges during the year.

In collaboration with our customers and other partners, we undertook swift measures, resulting in restoration of the network in record time.

Addressing the impact of climate change has become need of the hour and we stand strong with the nation in combating the challenges. Our commitments and initiatives towards Green Digital Infrastructure have also enabled our customers to reduce their indirect Green House Gas emissions bringing the entire sector a step closer to Decarbonization.

Our ability to ensure minimum downtime for our customers, quicker connectivity, roll out optimized processes and sustainable solutions, helps us deliver improved customer experiences and make us their Preferred Partner.

**4.42** out of 5  
Customer satisfaction score

Our simple approach to 'Customer Delight' helps them benefit from



Reduced capital investment



Less time to market



Operational efficiencies



Innovative and sustainable solutions

## Developing a relationship of Trust with Landlords

In the course of our business, we collaborate and engage with various landowners and see them as customers as well as strategic partners playing a crucial role in the expansion of our operations. They are fundamental to us in providing uninterrupted and ubiquitous service. We have categorized our landlords as institutional (IA) (including developer, municipalities, transport, corporations, and water boards) and conventional (non- IA) landlords and have been applying different business strategies to build a robust, long-term relationship with each one of them.

At present, we engage with about

**268,000+**  
landlords

Under the institutional land, Indus primarily acquires the land from the government, large PSUs, defense establishments, and private institutions. We engage with them to build transparent and trustworthy relationships, ensuring that every landlord from across the country receives an amazing, and personalized experience throughout his or her partnership journey.

With the support from the landowners, Indus continues to install towers at new locations and improves the current infrastructure, thus empowering telecom customers to widen their client base and expand their reach to the remotest locations in the country.

The Company has a ‘Partner with Indus’ program in place to help Indus Towers gain better access to the landowners. This program ensures faster renewals of the partnerships at a reduced cost. Apart from this, the program also enables the landowners to create value for the community by being a catalyst in solving the nation’s digital connectivity needs.

### Community Connect and Engagement with Landlords

We hold ourselves accountable to build a positive professional ecosystem for our landlords, which is why we have been running a Landlord Relationship Management Program (LLRM) that aims to bring transparency in our business relationships.

Our LLRM program is a collaborative effort focusing on engagements with landlords, reduction in disputes, faster response times, faster renewals with reduced cost, etc. This financial year saw a controlled number of programs due to the COVID outbreak in the country and our company’s prerogative to avoid physical touchpoints, thus ensuring the

safety of our employees, landlords and the community at large. To maintain our connect with the Landlords, **we launched a new digital touchpoint in the form of Indus iCare Landlord app.**

Landlords are a crucial part of our extended Indus family and giving them a seamless experience has always been a prime focus. In line with the above, we launched the iCare Landlord app for Landlords to further strengthen our bond with them as part of our ExCITE values. Landlords can use this app to get real-time information with complete transparency.

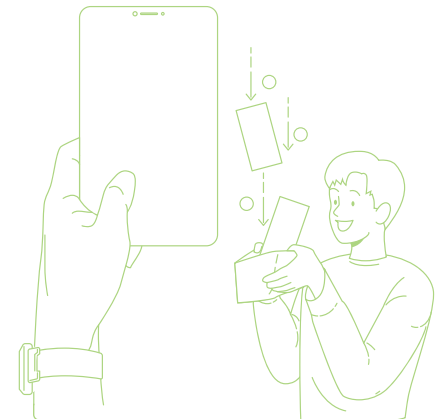
The following features are included in iCare version 1.0, which is available for both iOS and Android devices.

- Security feature that lets Landlords log in using their registered mobile number
- Real-time information on rental details
- Option to raise iCare tickets
- Important documents, such as PAN, Aadhaar and e-invoices can be submitted
- Option to edit and update personal information such as date of birth, email address etc.
- Instant notifications from Indus

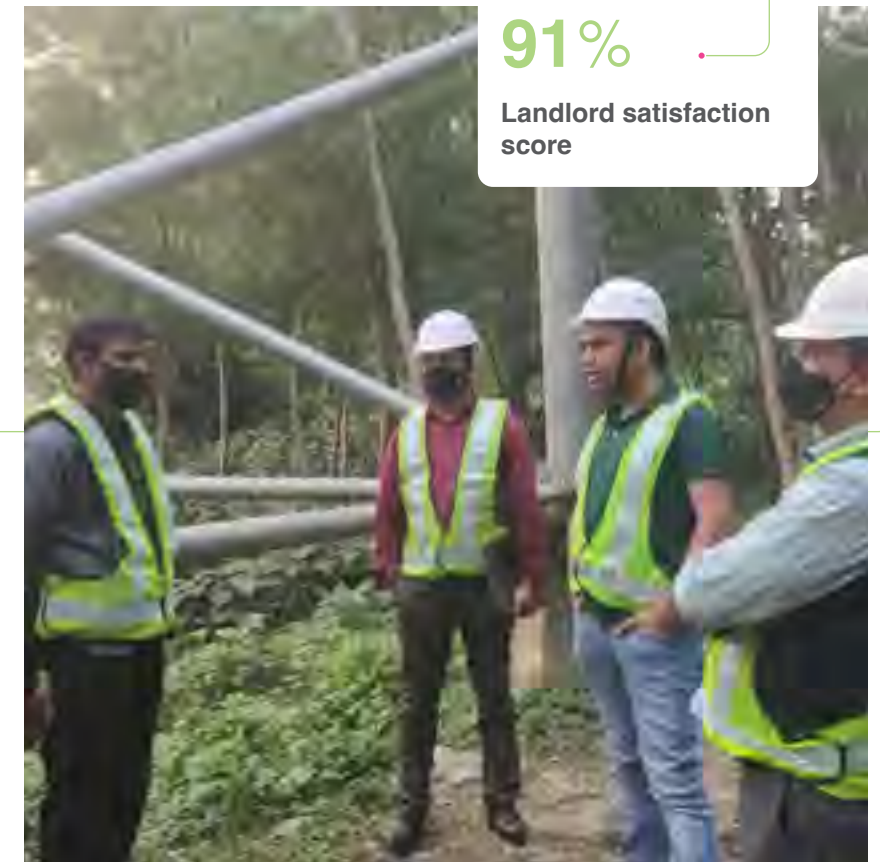
Apart from above, the details of site and contact details of the technician are also visible to all Landlords. This is a significant step forward for us in the digital space, allowing us to connect with our esteemed Landlords 24x7.

The iCare landlord helpdesk platform which started in 2013 saw an overwhelming response in the year 2021-22 with a total of 7,031 i-care calls to our helpdesk.

Apart from our regular interaction with landlords, we do a quarterly feedback and satisfaction survey with a random sample of landlords from all the circles. We received an overwhelming positive response from our landlords with a 91% satisfaction score at the end of this financial year.



**91%**  
Landlord satisfaction score

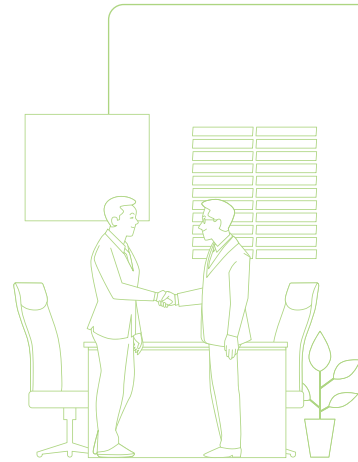




## Engaging with the Business Partners

The Indus Towers supply chain hosts more than 2,400 Business Partners. Indus Towers works alongside them to create value and ensure sustainability across the supply chain through a **Supply Chain Management (SCM) framework**.

This framework defines the selection of Indus's Business Partners through a series of meticulous checklists. The SCM team undertakes processes of identifying and onboarding the prospective partners after ensuring that they meet the **Company QCDD (Quality, Cost, Development and Delivery) requirements**. This also helps to ensure mitigation of all the risks associated with the supply chain mechanism. This **mutually beneficial and highly inclusive relationship between Indus and its Business Partners** ensures that Indus understands the needs of its partners and they meet the requirements of the Company in the best possible manner. This synergy is very important to us as we gear up to take a pivotal role in the next big digital revolution. We believe in long term partnerships that are fostered and strengthened over years. Our business partners are extremely crucial in ensuring that the logistics are in place as we take on to beef up our operational footprints.



With our ever-growing focus on sustainable practices, we ensure that all our Business Partners undergo a due diligence to ascertain adherence to moral, ethical, legal, environmental, labor, human rights practices in the supply chain.

We have also been helping our Business Partners to develop a culture of safety within their organizations through an **ESH competency development program**. This program is intended for on roll employees, associates, inhouse technicians and partners for training, sensitization and creating awareness amongst them on risk perception, use of Personal Protective Equipment (PPE), PTW, etc. To achieve this, various initiatives were taken viz. launch of KAVACH 3.0 to operationalize ESH, Regular connect with last mile through con-calls, Daily Tool Box Talks (TBTs), Project NoTE : 60 Days program launched for emotional connect for correction of unsafe behavior and identification of unsafe transformers – outcomes were 99.8 % declaration of sites for transformer status (Safe / Unsafe), 95.2% Family connects of technicians, 84.5% affidavit sign offs for not working on transformer and EB line, DDT for all, Monitoring the usage of PPEs and surprise audits etc. There

>99%

Highest ever MSME Compliance

2,400+

Business Partners

have been 8932 technicians trained on DDT and Mod 0, Supervisor's certification done for E-STAC (Electrical – Supervisor Training and Certification) – 2209, H-STAC (Height – Supervisor Training and Certification) – 3548 and CHCTE (Certified Height Climber tower Erector) for riggers - 4983.

There have been 6538 participants who have completed OLC training during the FY 21-22.

**The Business Partner Relationship Management (BPRM) system at Indus** helps in validating its promises to stand tall with the Business Partners and create a difference. With a supplier partner base that is spread across the country, it is essential that we hold regular engagements with these partners to review their contractual performances. This system establishes a two-way communication and monitoring system that has a robust governance structure at its core. The system helps to resolve the queries of business partners and ensures that a timely payment is made to them. The BPRM Team ensures these regular engagements take place through a structured partner engagement and performance improvement program called the Contract Governance (CG) program which is a multi-tier program wherein strategic engagement happens at the circle, as well as at the corporate levels. Agenda of these engagement meetings is to review the performance of partners and extend support for improvement of their performance and compliment them for their good work.

During FY22, we had conducted around 2,200 CG meetings with supplier partners, through which ~8,500 improvement actions were identified, ~83% of which were closed jointly.

BPRM team enhances Business Partner Relationship through effective Contract Governance Meetings, Timely KPI Sign-off, Ontime Payment to Partners, Payment Dispute Resolutions and Partner Performance Improvement leading to improvement in Partner Satisfaction Index.

As a part of 'Aatmanirbhar Bharat' initiative by the Government of India, **Indus has taken a giant leap towards sourcing its materials and services from local businesses** while also ensuring that all the business partners are in compliance with the applicable laws and regulations and have transparent and responsible business practices.

We also conduct **Partner Survey Assessment** Tests to strengthen our long-term relationships with our Business Partners. Such tests empower us to resolve concerns of Business Partners and take their valuable inputs for taking forward the relationship in a mutually beneficial way and strengthen the satisfaction score.

Indus has also put in place a special grievance mechanism called '**Payment Concern Room**' (PCR) for any payment related concerns from the Business Partners.

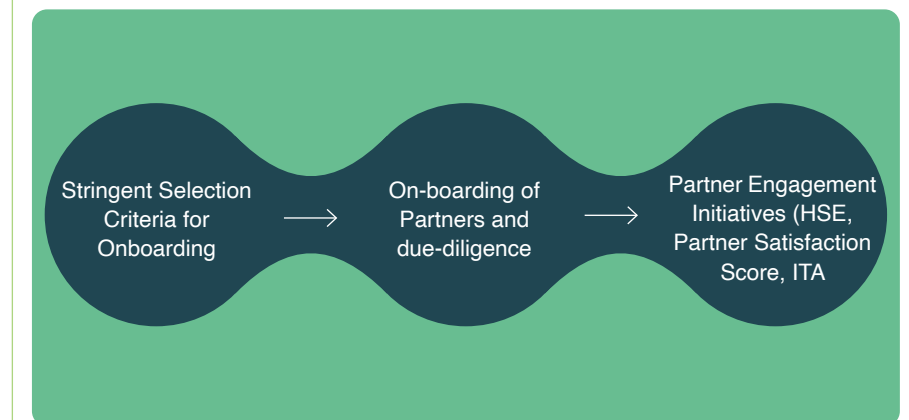


**The Indus Training Academy (ITA)** looks after technical competencies of operation and maintenance resources, including technicians of the outsourced partners by imparting training at a regular pace through training modules specifically designed for such roles. These modules undergo periodic revisions and are updated regularly to incorporate any new product or maintenance practices. Our three-module skill-development training comprises both theory and practical sessions for the technicians.

96.9%

Number of technicians trained through ITA

### Partner Engagement Lifecycle –



## Government and Regulators

At Indus Towers, we engage, collaborate and partner with various regulators and authorities like DoT, TRAI, MOF, MoP, FOIR, CERC, CEA on multiple issues very proactively. We do responsible advocacy on important issues/challenges for various regulatory policies governing our industry.

The Company also works closely with industry associations and participates in stakeholder consultation to support the Government in framing policies in the areas of Scope Enhancement, Corporate Governance, Ease of Doing business and Social and Community Development. Our regulatory team constantly monitors the proposed changes in the emerging law and technologies and provides valuable inputs to the regulators in the process of bringing Consultation Papers to incorporate favorable changes in various regulations from time to time and aligns with Industry accordingly.

We are truly committed to conduct our business in the most ethical and transparent manner. We ensure timely compliances at all times and follow a zero-tolerance approach for any noncompliance. We also sensitize our employees on a regular basis, about the need for compliance, and educate them about the compliance requirements.

**₹ 66,727 Mn**

Contribution to Exchequers



At present, Indus Towers is an active member of various trade associations and Industry associations including The Associated Chambers of Commerce and Industry of India (ASSOCHAM), Broadband India Forum (BIF), Cellular Operator Association of India (COAI), Confederation of Indian Industry (CII), Digital Infrastructure Providers Association (DIPA) & Federation of Indian Chambers of Commerce and Industry (FICCI).

Indus Towers' vision of building a sustainable common sharable digital infrastructure is aligned with the governments vision of "Digital India" and supports the government to achieve the national aspiration of a 'Digital India'. With our future-ready infrastructure, we

are engaging with the Government of India and supporting in various initiatives e.g. 'Smart Cities', 5G pilot projects etc.

We are at the cusp of next big digital revolution in the country in form of 5G that will transform the way of doing businesses. Committing to our vision of connecting unconnected, we will always be backbone and lifeline of the communication by deploying digital infrastructure to enable faster rollout of the new technology-based telecom services to make India "Digital India".

## Shareholders and Investors

We endeavor to maximize shareholder returns by maintaining good corporate governance and improving level of transparency in communication. We encourage communication with them through various modes including investors' meetings, conferences, quarterly results, earnings call and annual reports.

Our history of delivering excellence is supported by our strong financial performance and ability to create value for our shareholders. We have been successful in our endeavor as we have been aligning our business to the following objectives:

**Aim to enhance market share and revenue through innovation and efficiency improvement in business**

**Make sound business and financial decisions after considering potential risks that could compromise or outweigh the anticipated benefits**

**Strive towards our goal of becoming a Green company by reducing our carbon footprint and investing in alternative sources of energy**

**Maintain a robust system of internal controls that facilitate the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors**

**Identify new value-accretive revenue opportunities in the digital infrastructure industry to enhance shareholder returns**

**Explore opportunities to return cash to shareholders in line with the Dividend Distribution Policy laid out by the Company**

**Follow the highest governance standard which is backed by an independent and fully informed board, comprehensive processes, policies and communication**

**Ensure a simple Investor Grievance Mechanism in place to resolve the complaints of investors quickly and efficiently.**

**Encourage participation by shareholders and investors in our quarterly earning calls and annual general meeting.**



As we pivot and transition to a holistic ESG integration by incorporating sustainability in our strategy, we are committed to delivering more value to our investors and shareholders.

**197,000+**

Number of shareholders as on March 31, 2022

**₹ 11/-**

Dividend per share

**4**

Grievances lodged by the investors/shareholders and resolved

**33.5%**

RoE

**25.7%**

RoCE



Indus Towers is committed to deliver its promise to address societal needs by actively collaborating with local communities, NGOs, government and other stakeholders. We aim to support the broader agenda of sustainable infrastructure with a better digital future that is accessible to all. Our efforts towards corporate social responsibility is long-term and, in this endeavor, we are pushing ourselves to do better, reach more beneficiaries and contribute towards holistic sustainable solutions while being operationally efficient.



# SOCIAL CAPITAL

It is our constant endeavor to maximize the positive impacts of our supported programs and ensure that it reaches all our stakeholders and bolster our ability to create the foundation of a congruent and socially sustainable company that is resilient.

**1,566,196**

Lives impacted through  
CSR activities

**9**

No. of CSR Projects

**1,143**

No. of employee volunteers  
under Personal Social  
responsibility programme



Through our diverse CSR interventions, Indus Towers Limited has always remained diligently focused on the social corners connected to our sustainable development goals.

Our CSR ventures are created with an aim to provide long term sustained benefits to stakeholders. We are set to create a lasting impact by addressing the needs of our future generations.

This year, our CSR implementing partners weighed on multiple opportunities to create a positive impact on the society. This also included digital technologies to execute projects. Indus Towers, through its interventions led to changes towards the better, while traversing the adversities posed by the pandemic. Through our efforts, we ensured not only that we reach out to people who lack basic amenities, but also safeguarded the continuation of learning through several programs developed as per the needs of our beneficiaries.

Making a difference in the world is always important. The magnitude of each of our continued efforts impacts society in many ways. In line with our vision of a better world for all, we also conducted social impact assessment for two of our programmes - Girl Child Education Programme and Project Nurture. The summary of the impact assessment is attached as Annexure A and the detailed impact assessment of both the programs is available on the website of the Company at <https://www.industowers.com/csr/?var=1657517893>.

When one component of society thrives, many other aspects of their lives will flourish. Through our Social Impact Assessment, we aim to identify opportunities to enhance our strategy and benefits to local community and also bring about a more ecologically, socio-culturally and economically sustainable and equitable environment

**Vision**

At Indus Towers Limited, we believe in playing an active role in transforming the lives of communities by improving their socio-economic conditions. Our efforts not only impact the direct beneficiaries, but we attempt to improve the social fabric by driving long-lasting changes in communities. With the help of our CSR implementation partners, we aim to serve the needs of economically weaker and disadvantaged sections of the society in the urban as well as rural areas.

**Corporate Social Responsibility (CSR)**

Our commitment to deliver sustainable livelihood and foster better opportunities for the underprivileged and the most vulnerable sections of the society is embodied in our Corporate Social Responsibility Interventions.

At our core, we believe that a successful and long-standing business thrives on a strong and sustainable society. The Corporate Social Responsibility at Indus Towers is led by strong governance and clearly laid down monitoring mechanism that helps in operationalizing the pillars we have established. This guides us to constantly perform to the utmost of our capabilities while meeting all compliances and going above and beyond the required. We have a CSR Policy in place that pilots our programmes and gives us many avenues of contributing to the betterment of our nation. Through this policy we intend to ensure that the CSR programs of the

Company reflect its vision and values while being aligned with the applicable regulatory requirements.

Through the policy we support distinct innovative and bold initiatives aligned with the sustainable development goals of India and Schedule VII of the Companies Act. Focused projects in education, sanitation, cleanliness, disaster relief and other areas cater to the most basic needs of the disadvantaged communities. The footprints of our CSR Projects have impacted the lives of more than 3.7 million beneficiaries across the country till date.

**Social Capital's Alignment to UN SDGs**



**3.7 Mn**

**Total Lives Impacted (till date)**



**Pillars of CSR**

Under each of these pillars of CSR, Indus Towers carried out different projects that has impacted many lives, created opportunities with an aim of bettering our nation.



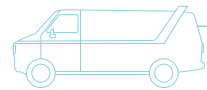
<p>Quality education including inclusive education</p> <p>Reduced inequality</p> <p>Gender equality</p> <p><b>Supporting Quality Education</b></p> <ul style="list-style-type: none"> <li>Rural education</li> <li>Digital literacy for children and adults</li> <li>Scholarship for underprivileged children</li> <li>Scholarship for people with disabilities</li> <li>Vocational training for youth</li> </ul>	<p>Affordable and clean energy</p> <p>Clean water and sanitation</p> <p>Sustainable cities and communities</p> <p><b>Acting responsibly for future generations</b></p> <ul style="list-style-type: none"> <li>Environment conservation</li> <li>Livelihood promotion through sustainable Energy</li> <li>Construction of public toilet facilities</li> <li>Behavior change communications</li> </ul>	<p>Decent work and economic growth</p> <p>Gender equality</p> <p>Rural development</p> <p><b>Economically empowered society</b></p> <ul style="list-style-type: none"> <li>Livelihood opportunities</li> <li>Empowering women</li> <li>Financial literacy and education</li> <li>Promoting Self Help Groups</li> </ul>	<p>Sustainable cities and communities</p> <p><b>Role during disasters</b></p> <ul style="list-style-type: none"> <li>Support government in disaster relief initiatives</li> <li>Rehabilitation initiatives</li> <li>Support in infrastructural requirements</li> </ul>	<p>Good health</p> <p>Eradication of poverty, hunger, rehabilitation and other needs</p> <p><b>Be a support to need based communities</b></p> <ul style="list-style-type: none"> <li>Rehabilitating abandoned children</li> <li>Contribution to food and nutrition requirements</li> <li>Other need-based programmes</li> </ul>
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## Education and Skill Development

One of the major obstacles that prevents India from progressing towards a better future is education. Education is the key enabler of Inclusive Growth. Therefore, at Indus, we aim to create enabling conditions so that underprivileged children in India can have access to basic education. We also encourage technical education and skill-based programmes to improve employability of the youth in the country.

To enhance the quality of digital education, digital skills, and access to online learning, Indus Towers Limited in association with the NIIT Foundation, initiated the DTV (Digital Transformation Van) programme under its Corporate Social Responsibility programme. A 'Digital Transformation Vehicle' has been set up which enables the digital literacy services at the doorsteps of the communities in the rural and semi-urban communities.



The Indus Towers - Digital Transformation Van

### Launch of Indus DTV Van at Bhopal by Home Minister of Madhya Pradesh Dr. Narottam Mishra

**43,711**

The number of beneficiaries

**29**

No. of villages covered

**3**

Number of districts covered

**158**

No. of Batches



The DTV Van Classroom

Indus Digital Transformation Van is a 20-seater solar-power enabled van that acts as a classroom equipped with the computing and printing technology, software, and e-learning tools to empower the underprivileged communities with technology skills in the rural/urban areas.

The programme essentially consists of five components- digital literacy as part of the national digital literacy mission, IT education, Cyber Security /IoT development programme, video conferencing consultation and mass literacy programme. Indus DTV offers a mobile solution to bridge the digital divide that exists in some areas of Dehradun, Bhopal and urban slums of Delhi/NCR. It brings the world of information and knowledge on wheels for the isolated and disadvantaged groups. These communities' benefit from the programme in many ways- Computer Literacy and IT enabled education is provided to rural youth, school children, and community people.

To continue these efforts throughout the COVID-19 pandemic, specific safety precautions were implemented, including daily cleaning and disinfection of the bus ensuring sanitization, and adherence to COVID rules such as wearing masks and maintaining social distance.

### Girl Child Education programme

**13,187**

No. of girl children benefited

**374**

No. of female teachers

**339**

No. of villages covered

**12**

No. of districts covered

**1,475**

No. of girl children enrolled in school



Environment day celebration

The Girl Child Education programme provides quality primary education to the girl child in rural areas to enable access and participation in education by engaging and empowering the community. The Goal of the project is to help 12300 out-of-school/ irregular to school girl in getting quality primary education through Learning Centre's model, using most effective curriculum and pedagogy and so to ensure mainstreaming more girls Under this model, single teacher-led primary learning centers are established in the villages with a higher number of out-of-school/irregular schoolgirls in the

age group of 6 to 14 years. The Learning Centre is approachable to these girls as the centers are established near their homes. These Learning Centers employ female teachers from the local area who provide high-quality education through play-way methods. The centers are also a converging point for the local village communities as they are made aware of the importance of education for girls, and this ultimately helps to break the age-old shackles in girls' education.





The project is spread across the states of Rajasthan, Uttar Pradesh, West Bengal, Haryana, and Uttarakhand with 410 LCs, and benefits 12,300 direct beneficiaries in the form of children studying at these centers, as well as benefits 410 teachers at the LCs. The programme also indirectly aims to reach out to and influence more than 60,000 family members and develop a sense of understanding in them about the education of a girl child.



## Impact Stories



### Akira Jhan

is a 25-year-old working at IIMPACT LC since 2018, coming from a large family of 6 siblings who are all dependent on her. She is pursuing her Bachelor of Arts graduation degree. The sudden demise of her father led Akira to step up and take care of her family at the time of crisis and be the sole bread earner of the family. Akira is a responsible teacher and an inspiration to other girls in her village who get married at an early age, to make a positive impact in the society.



### Bebi

comes from a village called Rampur and belongs to a family of 7 members (2 brothers and 2 sisters) and her father is a daily wage earner and works as a laborer. While her name was enrolled in the nearby school, she couldn't attend due to her lack of interest and domestic chores. She joined LC on gentle persuasion of the community members and the teachers. Meanwhile, her father's health has started deteriorating and Bebi is the only hope of the family now. Presently, enrolled in class 9<sup>th</sup> Bebi aspires to become a teacher and support her family.

## Indus Towers Scholarship programme

120

No. of students with disability provided with scholarship

58

No. of institution (school/colleges) where students are enrolled

49

No. of villages covered

8

No. of states

62

No. of districts covered

Indus Towers Scholarships programme started in 2015 with the aim of promoting education among students with disabilities- through scholarships. The programme was divided into 2 phases. The first Phase of the programme enabled 196 students across 7 states becoming a part of the scholarship.

As of today, 316 students with disabilities have benefitted through this project. Our aim is to support 600 students in phase II of the project to pursue higher education by 2025 and cater to the 8 states in the North East.

### Scholarship programme with Shishu Sarothi

Nyonyok Talom is a 17-year-old young teenager who hails from an interior village called Pasighat in Arunachal Pradesh. Born as visually impaired by birth, he has a 100 % disability. Out of three siblings, he is the only one with disability. Ever since the childhood, he lived his life full of delusion and confusion of what exactly does he have in future, until he got admitted in Monfort School in Khanapara, Guwahati, one of the few inclusive schools in the North-East. It was here that he gained confidence in himself and started dreaming. He is in the 12<sup>th</sup> Standard. He loves singing and playing musical instruments.



## Smile Story



### Sahidul Islam

Guwahati, Assam

Sahidul is a student from Guwahati, pursuing Diploma in Electronics and Telecommunications under Indus Towers Scholarship Program. He has a locomotor disability which makes it difficult for him to handle daily tasks. Sahidul's father is also differently abled, with intellectual disability in addition to being hearing impaired. His mother is a homemaker.

Sahidul has an elder brother, also hearing impaired. He has done ITI and is working in a small company earning ₹ 12,000/- pm. This happens to be the total income of Sahidul's family. He is encouraging Sahidul to go for higher education and study M.Tech as that would lead to better future prospects and higher income.

Sahidul had taken admission in BTech and was facing a financial crisis due to the low income, when his cousin brother, also his mentor, told him about the NGO Shishu Sarothi and the scholarships they are providing to students wanting to study further. He immediately applied and was selected. The entry to the Central Institute of Technology, Kokhrajar was lateral and he is now in Semester- V.

Since then, he has also guided other friends for the scholarship so they can avail the benefit.





**Gloria Lyndoh**  
Shillong, Meghalaya

Gloria Lyndoh is from Shillong, Meghalaya. Gloria lost her father when she was in middle school and her mother is diabetic. Her mother and 5 younger sisters live in a village, little ahead of Shillong. Two of her younger sisters dropped out of school due to lack of financial support, while one is working as a beautician in the village, the other one is looking for work. Three of her sisters are studying in school.

Gloria is studying History and is in the 3<sup>rd</sup> year of graduation. She is visually impaired. Being very good with Braille, she has been provided with a laptop to support her studies. It helps her to take notes during online classes. She also has a screen reader so that she can refer to notes. She aspires to do a computer

course, and Indus Towers along with Shishu Sarothi are backing her to give flight to her dreams.

She feels extremely fortunate to have received the scholarship and is able to pursue studies and is pained that there would be many who may not know of such support and lose out on opportunities.

**Some of the Key Initiatives under this programme include-**

- Scholarship Award Ceremony is organized annually to felicitate the scholars with award certificates, and it is a platform to meet and interact directly with the beneficiaries.
- Communication and visibility of the programme is ensured through internal and external communication, including media and the press.
- Regular meetings are conducted with implementing organizations to review programme progress and understand the challenges faced by the students and resolving it for smooth implementation of the project.
- Interaction with scholars to understand their progress on studies
- Our Indus CSR Team and CSR advisory regularly monitors programme implementation and financial utilization



Scholarship Award Ceremony with Mr.Ranoj Pegu, Education minister of Assam

**Satya Bharti School programme**

**11,483**

**No. of students benefitted**

**60**

**No. of schools**

**60**

**No. of villages covered**

**5**

**No. of States covered**

**391**

**No. of teachers trained**

**10**

**No. of districts covered**

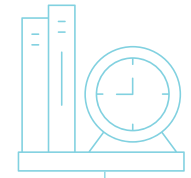
This programme has been implemented by Bharti Foundation as a flagship initiative since 2006. The Satya Bharti Primary School provides quality education up to class V, and elementary schools provide education up to class VIII. They include students from the host, as well as neighboring villages. This programme provides free quality education to underprivileged children at primary, secondary, and higher secondary levels, with a special focus on the girl child across 6 states of India. The students are provided with free uniforms, textbooks, notebooks, stationery, and mid-day meals. Teachers for the schools are handpicked from the nearby communities and are provided rigorous training on mentoring jobs that enables them to engage students in a quality learning experience.

The Satya Bharti School programme aims to deliver transformative education to students such that they become educated, responsible, and self-reliant citizens, nurturing a deep sense of commitment to their society. The classroom as well as out-of-classroom activities are given equal weightage such that students can learn for life, and from life- thereby instilling in them the right values, attitude, life-skills, and confidence. Communities, parents, and like-minded organizations are active partners in the schools, and all the

schools under Satya Bharti programme uphold this way of functioning. Indus Towers has supported 76 of these schools in Haryana, Punjab, Rajasthan, Uttar Pradesh, and Tamil Nadu.

**The programme Objectives include-**

- To provide free and quality education to underprivileged children, while focusing on the girl child in the rural parts of the country
- Transforming students into educated, confident, responsible, and self-reliant employable citizens of the country with a deep sense of commitment to their society
- Encouraging active involvement of the community, parents and like-minded organizations
- Find innovative solutions, through its primary, elementary and senior secondary schools to create replicable and scalable components in the programme to facilitate delivery of quality education



Satya Bharti School, Akoi Sahib, Sangrur, Punjab



Satya Bharti School Rasina, Kaithal, Haryana



### Bharti Foundation's Interventions to Ensure Continued Education to Underprivileged Children During Pandemic Situation

The COVID-19 pandemic had resulted in the complete shutdown of schools since March 2020. Students and teachers were not able to attend schools physically. However, in order to ensure continued education for underprivileged children without any impediments, Bharti Foundation adopted online teaching methods to facilitate remote learning for students.

This was conducted through the following interventions

#### WhatsApp for seamless communication-

Class-wise WhatsApp groups were formed and used for effective dissemination and communication, video call lessons, sharing homework assignments, etc. Activity-based learning at home was also encouraged by giving topical assignments. The same practice was adopted in the partnered government schools by involving the principals and the head teachers. Along with WhatsApp, various online teaching platforms such as Hello English, Khan Academy, Toon Magic (Eng.), Toon Masti (Hindi), Ticklinks, Diksha, and Doubtnut were used wherever possible.

**Parent's Involvement-** As Satya Bharti teachers are recruited locally, they are not only sensitive to the circumstances of the students, but their bonding with parents and with the community has ensured that the parents are very supportive of these activities. Teachers had been in daily contact with the parents on the phones to ensure that the students were studying. Parents were also actively involved in the learning process of their children and provided reports to teachers in the groups by sharing the pictures of their homework.

**Teacher's Engagement-** Online training and capacity building sessions were held to ensure that teachers are up-to-date and motivated to teach. Mentoring and monitoring of lesson planning with feedback on improvement, TLM (Teaching-learning material) preparation, and usage with the integration of virtual/online tools for teaching-learning were consistently upgraded and sustained to ensure learning happens at home for students during the lockdown.

**Home Assignment-** Homework and assignments were given via phone, based on simple tasks or activities that could be performed at home. These tasks were also aligned with the grade-appropriate learning goals.

**Satya Bharti Skill Fest-** Satya Bharti Schools held virtual Summer Camps during summer break. The objective of the Skill Fest was to keep students occupied with meaningful activities that lead to skill-development such as creative writing, public speaking, art and craft using waste material, etc.



A glimpse of the young girls in school

### Learning with Vodafone: Gurushala

# 38,183

No. of teachers trained

# 1,336,405

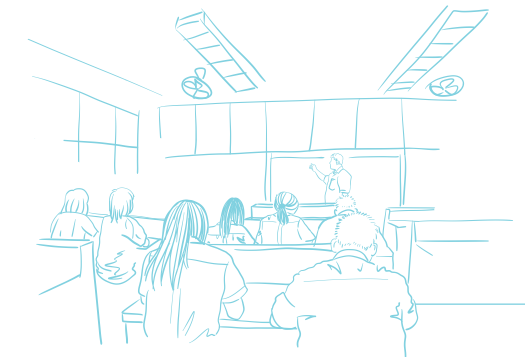
No. of students benefitted

# 21,627

No. of content uploads

# 18,235

Teacher Course Completion (FY 22)



This programme aims to equip teachers with innovative teaching practices and ability to integrate technology in their teaching and support students in digital learning.

Gurushala was launched on teacher's day in 2019 and over the years, this project has generated a rich pool of knowledge and methodologies. This project provides a single and integrated platform to teachers for all their needs: enhancing their skills and knowledge, finding age-appropriate and curriculum aligned content, networking with teachers, consulting subject matter experts, etc. Each teacher educates to a minimum of 35 students post their successful training completion in Gurushala Projects. This has created a huge positive impact in the society by benefitting 1336405 students.



Gurushala expanded its reach from 8 states and union territories to 26 in 2021 with over 1,50,000 plus user registrations.

More than 21,000 content pieces in 23 subjects of varying classes and types were uploaded on the Digital Content Library

More than 130 batches of online trainings have been conducted and over 50,000 teachers have been trained and certified till date

121 course modules with over 1,000 resources have been uploaded on Gurushala for capacity development of teachers.

As Gurushala was gathering its presence and starting to reach out to teachers and stakeholders in the first few months, the education system underwent a significant change due to the COVID-19 lockdown. Schools had to shut down overnight, and teachers were posed with the difficult challenge of taking classes from home. Given the situation, the Gurushala stepped up its activities and responded to the challenges through a series of interventions that were focused not only on the operational challenges of teaching, but also on introduction of pedagogical ideas customized to suit teaching from home. With time, Gurushala has also shifted its focus on covering areas like computational and design thinking for both teachers as well as students.

Gurushala has followed the teacher-centric model since in the school education system, the teacher is primarily responsible for the learning of students in the classroom, and we can expect a sustainable change in the learning only if the teaching practices are improved in the long term. Graduating to a seamlessly integrated platform between teachers and students with using technology is the broad level objective of this programme.



**Smart Agri- Leveraging Technology for Self-Subsistence to Enterprise Farming**

**121,500**

No. of farmers benefitted

**5** (Rajasthan, MP, Maharashtra, Assam, Telangana)

No. of states

**19**

No. of districts

Vodafone Foundation piloted an integrated smart Agri to bring forth a change by leveraging technology in agriculture to move it from subsistence to enterprise agriculture in two of the most dominant production systems- Soy and Cotton, in the state of Madhya Pradesh and Maharashtra. This was done with an aim to enable over 50,000 farmers to improve their practices by adopting IoT based solutions. The learnings from this implementation suggest that the present crop coverage needs to be expanded to year-long crop coverage beyond soy and cotton. Taking forward the learnings of Vodafone Foundation, this initiative was upscaled to 5 states of Telangana, Assam, MP, Rajasthan Maharashtra where more than 1,20,000 farmers benefitted. The programme improved access to information through technology use and sustainable farming approaches.

Objective of the programme is to provide support to 1,20,000 farmers consistently through localized multi-crop advisories prepared based on real-time inputs received from IoT based equipment deployed in the farm fields.

The implementation of this project involved the following key components. **Capacity Building of Farmers-** More than 1,20,000 farmers were trained on best practices, accessing information, use of technology, etc.

**Mobile Advisories-** Localized advisories will be developed for dissemination of local weather information, planning their sowing, harvesting, improving crop cultivation, managing pests, etc., to the farmers.

**Agri-tech Entrepreneurs-** Acting as a catalyst for information dissemination, transfer of technology, and extension of services to the farmers.

**Farmer Groups-** Smallholder Farmer Association, Farmer Societies, and Farmer Producer Organization will be partnered to improve governance and capacity through IT enabled market advisory, intelligence, and inputs and outputs aggregation.



IScount (Pest trap & Mini Weather station)- with pest trap panel where insects/pests trapped for observation and accordingly advisory given on chemicals to use



Farmers group in Saoner Block, Nagpur

**Environment Sustainability and Swachh Bharat**

Indus Towers is focused to create a model of development that will mutually reinforce economic growth, sustainable livelihoods, and environmental protection. The national vision of Swachh Bharat Abhiyaan, launched by the government of India also rests on the above pillars of societal development and contributes significantly towards making a transformational change. Aligning with the vision we have taken steps in the areas of cleanliness, waste management, and sustainability to create a positive societal impact.

**Sanitation Project with Sulabh**

Indus Towers Limited implemented a sanitation project by partnering with Sulabh Sanitation Mission Foundation for construction and renovation of toilets at two schools in Dehradun.

The project was undertaken in line with our CSR Pillar of Environmental sustainability and Swachh Bharat, with an objective to provide sanitation facilities, safe health and hygiene.



**Summary of Baseline Study**

**Construction of accessible toilets in schools**

A baseline study was conducted at the Girls' School in Khurbara district of Dehradun and Government Girls Inter College Rajpur Road, Dehradun which highlighted the need for setting up infrastructure for hygiene and sanitation.

The results showed that the need was to have access to basic amenities like toilets to ensure a hygienic and conducive learning environment. This project played a significant role in promoting the message of safe hygiene and health. We have implemented

this project in partnership with Sulabh Sanitation Mission Foundation (SSMF). The baseline study done through effective need assessment and intervention paved the way for successfully implementing this project.

The details of the project are as below –

Construction at: Govt Girls' School, Khurbura, Dehradun

**317**

Students (Std VI to Std VIII) plus teachers and staff

Renovation at: Govt girls' school, Rajpur Road, Dehradun

**760**

Students (Std VI to Std XII) plus teachers and staff

Total beneficiaries

**1,077**

Student + Teachers and Staff



Field visit at Government Girls school

## Disaster Relief & Rehabilitation Initiatives

The outbreak of COVID-19 manifested itself into a serious disaster, affecting the lives and livelihood of people all across the globe. In such times of exigencies, what is needed is an agile response and to provide essential support to government. The initiatives taken by Indus Towers to provide disaster relief also focus on providing quick and relentless support. We also collaborate with the government and other disaster relief organizations to extend our support to the affected communities.

### Installation & Commissioning Medical Oxygen Generation Plant

Indus Towers & Limited partnered with Impact Guru Foundation and CHC to install and commission 250 LPM PSA Medical Oxygen Generation plant at Community Health Centre (CHC) Sardhana, Meerut. The objective was to provide an uninterrupted medical grade oxygen supply with excellent reliability, ease of operation, safety, and cost-effectiveness, with the potential for further expansions. This was done with an aim of making the CHC self-sustaining to generate oxygen during the exceptional circumstances of the COVID-19 pandemic and reducing the burden on primary healthcare sectors. The aim was also to strengthen the secondary and tertiary healthcare facilities.

The installed oxygen generator in the CHC at Sardhana, Meerut was not only aimed to sustain the people impacted by COVID-19 in Sardhana, but also to facilitate the oxygen support requirements to the need-based population in Sardhana, Meerut and its nearby areas.



## Other need-based initiatives

We continue to strengthen our CSR initiatives by recognizing core development gaps and designing key initiatives to bridge the same. Our initiatives are focused on responding to the unique challenges of our stakeholder communities and empowering communities in forging their future.

### Project Nurture with SOS Children's village

SOS Children's Villages of India is a pioneer non-profit organization having 56 years of committed experience in caring for parentless and deprived children. With presence over 32 villages across 21 states and 2 Union Territories, SOS primarily works for the children who were orphaned or abandoned or have lost their parents, or who are at risk of losing parental care, through a preventative and curative approach.

Project Nurture is a joint initiative between SOS and Indus Towers aimed at providing a second chance to orphaned and abandoned children in areas where Indus has operational presence. Under

this initiative, Project 'Nurture' aims to facilitate and ensure holistic development of 530 parentless and destitute children from 53 family homes spanning across 18 states in India, through educational, health, and psychological development. Each of these family homes consist of 8 to 10 children and a SOS mother.

The SOS ensures adherence and compliance to the norms set up by the Child Welfare Committee under the Juvenile Justice Act of the Government of India. The process of admitting children in these homes is also done as per the CWC under Juvenile Justice Act 2015.

530

No. of children benefitted

53

No. of homes covered

18

No. of districts

18

No. of states covered

53

No. of female SOS mothers

Indus Towers, under the Project Nurture, supports 53 families with 530 children and their 53 mothers living in SOS Children's Villages across India through-

Providing basic amenities like nutritious food, clothes, shelter, healthcare, medication, etc. to these identified 530 children.

Ensuring access to quality education (primary, secondary, and higher/ professional courses) for these identified children, to enable them to excel academically.

Ensuring their holistic development and empowering these children through need-based capacity building programmes, career development counseling, psycho-social support, and making the sports and extracurricular activities accessible to them.





For these children, our support is extended right from the moment of admission and lasts till they leave the care. We also provide a tailored and participatory leaving care process to ensure that the transition from SOS care to an independent life happens as smoothly as possible for these children. As on date, Indus Towers has made an impact on the lives of 530 destitute children.

**Care**

SOS provides direct care to the children so that they can build a supportive, reliant, and lasting relationship with these children. SOS mother ensures the well being of the child, and that the child is nowhere discriminated against gender, health, or ability. The mother also ensures that each child is heard and their voices and opinions are taken into consideration in all decisions pertaining to their lives and development.

**Education**

SOS provides direct care to the children so that they can build a supportive, reliant, and lasting relationship with these children. SOS mother ensures the well being of the child, and that the child is nowhere discriminated against gender, health, or ability. The mother also ensures that each child is heard and their voices and opinions are taken into consideration in all decisions pertaining to their lives and development.

**Formal education-** Each child has an access to pre-primary, primary, secondary, and vocational education as well as training.

**Non formal education-** The child is provided an access to educational activities outside the formal education system to support their holistic development.

**Informal education-** The child is ensured an access to extracurriculars and social networks. Situations are stimulated to enable them to build on their values, beliefs, attitudes, everyday skills, and knowledge

**Health**

It is ensured that each child has access to the curative and preventative healthcare through treatments, vaccination and immunization, medicine, checkups, etc. It is also ensured that psychosocial support is provided to the children and they have access to services that support their cultural, emotional, cognitive, social, and spiritual development.

**SOS Mother**

SOS India believes that a child's best upbringing can only be done under the care of a mother. SOS Mothers take care of their entire family home, and under her love and affection, children are nurtured into efficient adults.

**Volunteering at Indus Towers - Personal Social Responsibility (PSR)**

**No of Volunteers in PSR:**

**43**

**5 to 6-day volunteering programme**

With the assistance of our CSR NGO Partners and Corporate CSR plans, the Company executes **5 to 6 days long volunteering activities in every circle.** However, during COVID times, volunteering activities were conducted online. The dissemination of information on these initiatives is accomplished via periodic internal and external communications, as well as communications in the form of CSR and PSR newsletters to enhance interest of employees on such activities.

**1,110**

**PSR Engagement programme**

PSR Volunteering programme Highlights for FY 21-22 -

**650+**

**Employee participated in Indus Joy of Giving week referred as Daan Utsav which was centered around recycling drive, book donation drive and plantation drive**

**Plantation drive in UP East and Haryana Punjab Himachal Pradesh where more than**

**30,000** saplings were planted

**Counselling at Old Age home in Maharashtra & Goa where the employees interacted with**

**20** senior people

**Walkathon in Gujarat to help the Underprivileged community where more than**

**40** employees participated

**Indus Towers believes in giving back to the society and in creating goodwill and trust.**

To achieve these objectives, we have volunteering programmes like Personal Social Responsibility (PSR), designed to encourage employee engagement through volunteering for social initiatives. Through the vast network of NGO partners, our employees engage with different sections of communities and create an impact by getting involved in educational drives, plantation drives, awareness programmes, etc.

**5-to-6**

**day volunteering program to enhance the skill of the beneficiaries through various mentoring programs**

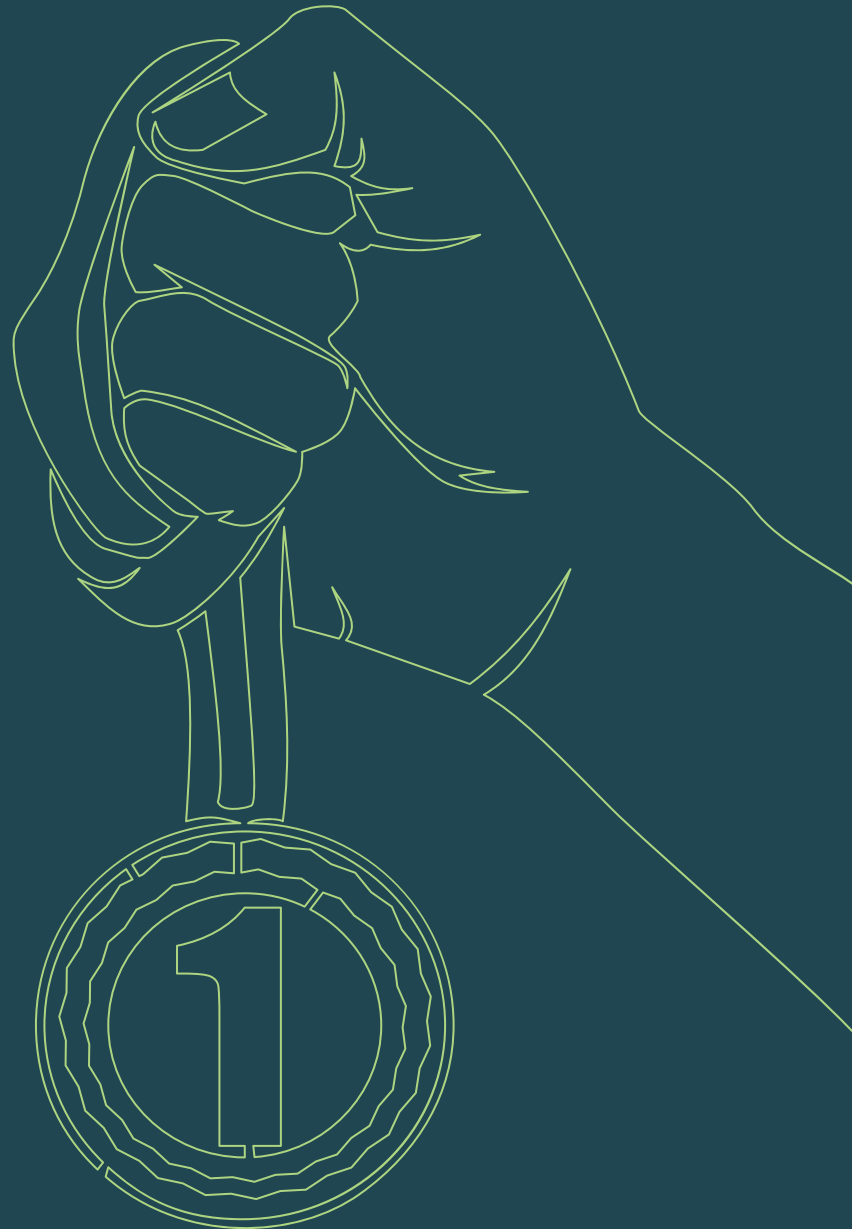
**World Environment**

**Day was celebrated Pan Indus where activities like tree disclosures, composting, innovation from waste material and poster competition**

**COVID assistance**

**by employees of J&K, Maharashtra & Goa, West bengal, Karnataka and UP which included [providing support to underprivileged community on healthy diets, Yoga practices and COVID related safety protocols**

# Awards & recognition



Gallup Exceptional Workplace Award 2022



Winner at CII 17th Kaizen Competition



3 Awards from Corporate Counsel Association of India (CCAI)



2 Awards from Indian National Bar Association (INBA)



20th Annual Greentech Safety Award 2021



"Rotary CSR Awards 2021" for Basic Education and Literacy at an award function organized in Gurgaon on 24th September 2021.



Frost & Sullivan's Project Evaluation and Recognition Program (PERP) 2021



2 CSR awards and 3 Employee awards in the 11th Edition of Bharti-Changemaker Awards





# Management Reports



# Business Responsibility and Sustainability Report

## SECTION A – GENERAL DISCLOSURES

## SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

## SECTION C – PRINCIPLE-WISE PERFORMANCE DISCLOSURES



### **PRINCIPLE 1**

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE



### **PRINCIPLE 2**

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE



### **PRINCIPLE 3**

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS



### **PRINCIPLE 4**

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS



### **PRINCIPLE 5**

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS



### **PRINCIPLE 6**

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT



### **PRINCIPLE 7**

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT



### **PRINCIPLE 8**

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT



### **PRINCIPLE 9**

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER



## SECTION A – GENERAL DISCLOSURES

## I Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L64201HR2006PLC073821
2.	Name of the Listed Entity	Indus Towers Limited (formerly Bharti Infratel Limited)
3.	Year of incorporation	2006
4.	Registered office address	Building No. 10, Tower-A, 4th Floor, DLF Cyber City, Gurugram, 122002
5.	Corporate address	Building No. 10, Tower-A, 4th Floor, DLF Cyber City, Gurugram, 122002
6.	E-mail	compliance.officer@industowers.com
7.	Telephone	+91 124 4296766
8.	Website	www.industowers.com
9.	Financial year for which reporting is being done	2021-22
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	INR 26,949,369,500
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Compliance Officer : Samridhi Rodhe Email Id: <a href="mailto:compliance.officer@industowers.com">compliance.officer@industowers.com</a> Telephone Number: +91 124 4296766
13.	Reporting boundary	Disclosures made in this report are on the standalone basis and pertain only to Indus Towers.

During FY 2020-21, erstwhile Indus Towers merged with and into the Company. In view of the above, data has been reported in the BRSR for FY 2020-21 based on availability of consistent data.

## II Products/Services

## 14. Details of business activities (accounting for 90% of the turnover) –

Description of main activity	Description of business activity	% of turnover
Telecom Tower Passive Infrastructure	To establish and maintain the assets such as dark fiber, Right of Way, Duct Space & Towers for the purpose to grant on lease/rent/sale basis to the licensees of Telecom Services Licensed under Section 4 of Indian Telegraph Act, 1885 on mutually agreed terms and conditions.	100%

## 15. Products/services sold by the entity (accounting for 90% of the entity's turnover) –

S. No.	Product/services	NIC Code	% of total turnover contributed
1.	Activities of providing Telecom Tower Infrastructure Sharing to enable telecommunication services provided by TSPs.	612	100%

## III Operations

## 16. Number of locations where plants and/or operations/offices of the entity are situated –

Location	Number of plants	Number of offices	Total
National	Indus Towers (formerly Bharti Infratel Ltd.) is a passive infrastructure service provider for telecom operators Pan India.	79	79
International	N.A. At present, the Company is serving only the Indian market.		

## 17. Markets served by the entity –

## a) Number of locations –

Locations	Number
National (No. of states)	Pan-India
International (No. of countries)	NA

## b) What is the contribution of exports as a percentage of the total turnover of the entity?

At present, the Company is serving only the Indian market.

## c) A brief on types of customers

All major telecom operators in India are customers of Indus Towers. These include Bharti Airtel, Vodafone Idea, Reliance Jio and BSNL.

## IV Employees

## 18. Details as at the end of Financial Year –

## a) Employees and workers (including differently abled) –

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	3,248	3,061	94.2%	187	5.8%
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	3,248	3,061	94.2%	187	5.8%
Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent	6,429	6,252	97.2%	177	2.8%
6.	Total employees (F + G)	6,429	6,252	97.2%	177	2.8%

Total 6,429 manpower engaged through third party contractors have been classified as other than permanent workers. As these workers are contracted via third party, the necessary records are maintained by the contractor. Indus Towers ensures that these contractors meet the compliances and statutory requirements by conducting regular checks and audits. Accordingly, data in this report pertains to the permanent employees of the Company.

## b) Differently abled employees and workers –

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled employees						
1.	Permanent (D)	19	19	100%	0	-
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	19	19	100%	0	-

## 19. Participation/inclusion/representation of women –

Particulars	Total (A)	No. and % of females	
		No. (B)	% (B / A)
Board of Directors	12*	2	16.67%
Key Management Personnel	3	1	33.33%

\* Including Managing Director & CEO

## 20. Turnover rate for permanent employees and workers –

	FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total
Permanent employees	19.2%	36.5%	20.2%	12.5%	14.8%	12.7%

## V Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. Names of holding / subsidiary / associate companies / joint ventures –

S. No.	Name of the holdings/ subsidiary/ associate/ joint venture	Holdings/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Do the entities indicated in the table participate in the business responsibility initiatives of the listed entity?
1.	Smartx Services Limited	Subsidiary	100%	No



**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes****(ii) Turnover (in ₹) – ₹ 277,082 Mn****(iii) Net worth (in ₹) – ₹ 194,185 Mn****23. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC) –**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  If Yes, then provide web-link for grievance redress policy	FY 2021-22		FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	Nil	Nil	Nil	Nil
Investors	Yes	Nil	Nil	Nil	Nil
Shareholders	Yes	4	0	1	0
Employees and Workers	Yes	87	12	73	18
Customers	Yes	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	18	4	13	1
Landlords	Yes	12	0	14	1
Others	-	44	7	27	10
Consumer complaints*	-	13	12	5	5
<b>Total</b>		<b>178</b>	<b>35</b>	<b>133</b>	<b>35</b>

\* 12 consumer cases are pending at the end of the year. Pertinently, none of these are maintainable as the complainants do not fall within the definition of consumers.

Indus provides an avenue for every stakeholder group to voice their concerns, details of which are as under:

1. Communities & NGOs: Under CSR programs, the NGO partners address the grievances of the community as and when it arises. In addition to this they have regular interaction with the community to bring in more awareness about the program. The Company representatives are in regular touch with the NGO partners and keep themselves apprised of any key concern of the community.
2. Investors and Shareholders: To report any concerns or grievances, Investors and shareholders can reach out to A Compliance Officer through a dedicated email, [compliance.officer@industowers.com](mailto:compliance.officer@industowers.com). For financial queries, the Investors can also reach to the Investor Relation Head at [ir@industowers.com](mailto:ir@industowers.com).
3. Employees and Workers: Indus has adopted an Ombudsman Policy/ Whistle Blower Policy that provides a mechanism for employees and contractual workers to report any concerns or grievances. The policy aims to ensure that complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation and allows for anonymous reporting of complaints. Please refer the weblink - [Our Corporate Governance | Indus Towers](#) and Email- [ombudsman@industowers.com](mailto:ombudsman@industowers.com). Indus also has a policy on Prevention of Sexual Harassment (POSH), and any such incidents can be reported to the Internal Complaint Committee as per the process defined in the policy.
4. Customers: There are several connect forums with customers on daily, weekly & monthly basis to receive and respond to the needs, queries and take feedback from the customers. Some of these connects are enumerated below:

- Corporate & circle leadership governance meetings, Customer query handling during BCP situations, special projects, or any other exigencies and Energy team meetings to resolve diesel, electricity consumption and availability related issues

5. Value Chain Partners: Ombudsman Policy/ Whistle Blower Policy also provides a mechanism for value chain partners to report any concerns or grievances. Partners can raise their grievances via call/e-mail/letter/other messaging platforms. Indus has also put in place a special grievance mechanism called 'Payment Concern Room' (PCR) for any payment related concerns from the Business Partners. Please refer the weblink - [Our Corporate Governance | Indus Towers](#) and Email- [ombudsman@industowers.com](mailto:ombudsman@industowers.com)

6. Landlords: The Company has instituted a dedicated Help Desk called i-Care. All the queries and complaints raised by the existing and prospective landlords are now effectively handled by the i-Care helpdesk. Indus has established a state-of-the-art call center named: iCare. Considering India is a land of various languages and the ease of resolving queries from landowners is our topmost priority, there is an inbuilt system in the call center that enables the landowners to communicate with the call center in their preferred language. Refer the weblink <https://www.industowers.com/landlords/?var=1659008253> and Email- [icare@industowers.com](mailto:icare@industowers.com)

**24. Overview of the entity's material responsible business conduct issues –**

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

Indus Towers has undertaken a comprehensive materiality assessment as per the GRI standards in FY 2021-22 to identify ESG related material topics for the Company. The main goal in determining the materiality is to understand the issues that are relevant and will impact Indus's stakeholders and operations over short, medium and long term. This understanding, in turn, makes ESG strategy and action plan more aligned with stakeholder priorities, and robust in terms of creating impact and navigating risks.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Opportunity and risk	<p><u>Opportunity</u> Development of alternative energy solutions</p> <p><u>Risk</u> Operations of Indus Towers are energy intensive. Energy demand is primarily met through grid electricity and diesel which cause significant GHG emissions. Increase in business operations may further increase the GHG Emissions. Rising GHG emissions could result in climate related risks which may impact our operations due to extreme weather events or supply shortages caused by natural calamity.</p>	Our processes are aimed at making our sites diesel free and using electricity from renewable energy sources. We are setting up a plan and identifying initiatives to decarbonize our business	<p><u>Positive</u></p> <ul style="list-style-type: none"> <li>Investments in green energy technologies and solutions are increasing keeping in view environment and sustainability concerns, which as well is cost effective and very long run.</li> </ul> <p><u>Negative</u></p> <ul style="list-style-type: none"> <li>Given the Government's target to achieve net zero by reducing GHG emissions, we are taking initiatives to reduce dependency on fossil fuels. This entails additional investments.</li> </ul>
2	People Practices	Opportunity and risk	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>Well established people practices benefit in high productivity</li> <li>Positive branding to help attract and retain talent</li> <li>Preferred partner by contractors</li> <li>Highly motivated and skilled employees will enable innovation, improved service delivery, and enhance customer satisfaction</li> </ul> <p><u>Risks of poor people practices:</u></p> <ul style="list-style-type: none"> <li>High attrition</li> <li>Inability to deliver quality services</li> <li>Reputational risk over culture</li> <li>Legal issues over non-compliance to labour laws</li> </ul>	<p>We have a structured framework to drive our people practices for the benefit of our employees</p> <p>The framework offers training and competency development programs, employee engagement and well being, rewards performance, and promotes diversity and inclusion.</p> <p>Refer Human Capital for details of people practices followed at Indus Towers</p>	<p><u>Positive</u></p> <ul style="list-style-type: none"> <li>High productivity and people interest in the Company results in cost efficient operations.</li> </ul> <p><u>Negatives</u></p> <ul style="list-style-type: none"> <li>Non-compliance with labour laws and regulations may lead to monetary penalties.</li> <li>Loss of our valued high performing employees or inability to attract and retain employees may affect the Company's business and prospects.</li> <li>Higher attrition or poor perception of the Company image may inflate the cost of hiring people.</li> </ul>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Health and Safety	Risk	<p><u>Risks</u></p> <ul style="list-style-type: none"> <li>• Ill health caused by occupational diseases or accidents at site can cause disruption to operations and result in poor individual and organizational performance.</li> <li>• Technicians working in the field are exposed to occupational safety and health risks</li> <li>• Negative impact on brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Training on best practices is provided to the technicians.</li> <li>• We conduct safety and wellbeing workshops.</li> <li>• 100% coverage of health insurance and term insurance is ensured for all manpower.</li> </ul>	<p><u>Negatives</u></p> <ul style="list-style-type: none"> <li>• Poor health of people can result in long-term financial costs for the business.</li> <li>• Lapses in health and safety of employees and contractors may result in levy of penalty from the regulator and increase of legal costs from suits filed against the company by the aggrieved parties.</li> <li>• To avoid accidents, we may have to modify design of our products which may result in additional investment or increase in cost.</li> </ul>
4	Waste Management	Opportunity and Risk	<p><u>Opportunity</u></p> <ul style="list-style-type: none"> <li>• Reduction in waste generation through efficient consumption of resources</li> </ul> <p><u>Risk</u></p> <ul style="list-style-type: none"> <li>• Levy of penalty if the prescribed standards and regulations are not met</li> </ul>	<p>We ensure recovery of both hazardous and non-hazardous wastes from the sites.</p> <p>Refer waste management practices in Natural Capital at Indus for more details.</p>	<p><u>Positive</u></p> <ul style="list-style-type: none"> <li>• Innovative solutions to reduce waste generation and adoption of the 3R principle of waste management (Reduce, Reuse and Recycle) may lead to optimised use of resources, hence resulting in cost efficiency.</li> </ul> <p><u>Negative</u></p> <ul style="list-style-type: none"> <li>• Any mishandling of hazardous waste may lead to threat to people's health or non-compliance. The aforesaid outcome may have negative financial implication.</li> </ul>

Note: For more details on material issues, risks associated and the mitigation plan, please refer to the Risk Management and Materiality Assessment sections.

**SECTION B – MANAGEMENT AND PROCESS DISCLOSURES****PRINCIPLE 1**

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

**PRINCIPLE 2**

Businesses should provide goods and services in a manner that is sustainable and safe

**PRINCIPLE 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains

**PRINCIPLE 4**

Businesses should respect the interests of and be responsive to all their stakeholders

**PRINCIPLE 5**

Businesses should respect and promote human rights

**PRINCIPLE 6**

Businesses should respect and make efforts to protect and restore the environment

**PRINCIPLE 7**

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**PRINCIPLE 8**

Businesses should promote inclusive growth and equitable development

**PRINCIPLE 9**

Businesses should engage with and provide value to their consumers in a responsible manner



Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board?* (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web-link of the policies, if available.	Refer to Note 1								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's Code of Conduct largely imbibes the above-mentioned principles, and the Company expects its value chain partners to adhere to the same in all their dealings.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	ISO 27001:2013 Information Security Management System								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any									
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Refer to Note 2								
<b>Governance, leadership, and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Refer to page 10 of this Integrated Report								
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies	The ESG committee of the Board monitors the ESG priorities of the Company. The Committee comprises:								
9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	<ul style="list-style-type: none"> <li>i. Ms. Sonu Bhasin, Independent Director- Chairperson</li> <li>ii. Mr. Bimal Dayal, MD &amp; CEO- Member</li> <li>iii. Mr. Randeep Sekhon, Non-executive Non- Independent Director- Member</li> <li>iv. Mr. Thomas Reisten, Non-executive Non- Independent Director- Member</li> </ul>								



## 10. Details of review of NGRBCs by the company –

Subject for review	Indicate whether the review was undertaken by Director/Committee of the Board/ any other Committee									Frequency (Annually/ half-yearly/ quarterly/ any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	✓	✓	✓	✓	✓	✓	✓	✓	✓	The policies are reviewed annually and as and when required								
Compliance with statutory requirements of relevance to the principles, and, the rectification of any non-compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓	The compliance is monitored quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency##										No, please refer the footnote								

\* As per Company's practice, all the policies are approved by the concerned authority depending upon the nature of policy. The concerned authority is the Board/ Board Committees and in some cases delegation to either MD & CEO/Functional Head etc.

\*\* No external evaluation was undertaken, however, the processes and compliances may be subject to scrutiny by internal auditors and regulatory compliances, as applicable. Policies are periodically evaluated and updated by various department heads, business heads and approved by the management and/or board.

**Note 1:**

The policies have been developed based on best practices or as per regulatory requirements. Policies may include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the Company's website at <https://www.industowers.com/>

P1- Anti Bribery and Anti-Corruption Policy, Code of Conduct, Whistle Blower Policy

P2- Environment Health and safety Policy, Code of Conduct

P3- Whistle Blower Policy, Code of Conduct, and other People policies to support employee well-being and protection of human rights

P4- Code of Conduct and Whistle Blower Policy

P5- Code of Conduct, Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace, Whistle Blower Policy

P6- Environment Health and safety Policy, Code of Conduct

P7- Code of Conduct

P8- Corporate Social Responsibility Policy, Code of Conduct

P9 – Code of Conduct and Information Security Policy

**Note 2:**

During the year, the Company has undertaken a comprehensive materiality assessment and stakeholder engagement exercise to identify its environmental, social and governance (ESG) priorities. Insights gathered through stakeholder engagement were analysed to develop the materiality matrix and arrive at the final list of ESG focus areas. Result of this assessment is being considered for defining the ESG targets of the Company. Going forward, the Company will report specific commitments, goals and targets.

While the Company is on the path of defining specific targets, the Company has been taking significant steps to integrate ESG priorities in its operations. Please refer to various capitals in this Integrated Report to read more about the initiatives undertaken by the Company towards adopting the NGRBC principles and its core elements.

## 12. If answer to question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated –

The answer to Question 1 is Yes. All the principles are covered by a policy. Hence this question is Not Applicable to Indus Towers.

## SECTION C – PRINCIPLE WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable**

For Indus, value creation and stakeholder trust are built on its integrity, transparency, business conduct and upholding the highest ethical standards. Indus believes that a strong foundation of ethics is necessary to sustain economic value. With its legacy of fair, transparent and ethical governance practices, the Company's Code of Conduct reinforces its commitment to operate with the highest degree of integrity. It lays a framework for expected standards of ethical conduct and behaviour. It outlines principles against discrimination, anti-competitive practices, insider trading and prohibits bribes. The Code is applicable to suppliers, contractors and value chain partners as well. Employees are also required to undergo an annual certification on the Code of Conduct to acknowledge their understanding of the same and to commit to inculcate the principles defined in it.

**Essential Indicator****1. Percentage coverage by training and awareness programmes on any of the principles during the financial year –**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
<b>Board of directors</b>	All the principles laid down in BRSR are covered in induction programme for orientation and training of Directors and in the Code of Conduct of the Company.  In addition, the Company's Board spent time throughout the year to review relevant corporate, legal, economic, social, and governance topics. For more details please refer to Corporate Governance Report.		
<b>Key managerial personnel and Employees</b>	Indus Towers has a structured training program under which employees are enrolled every year. Various trainings were conducted and undertaken by the employees in FY 2021-22. The topics for these trainings were around – Behavioural Training, Functional Training, Technical Training, Business Continuity Process (BCP) Training, Total Quality Management Training. The aforementioned trainings were conducted in addition to the Mandatory Trainings.  Training conducted on various NGRBC principles included Code of Conduct, Anti Bribery and Anti-Corruption Policy, Kavach Safety Training, Information Security Management System and Prevention of Sexual Harassment (POSH).  Training/awareness generation modules are made accessible to 100% employees. For details, please refer to the Human Capital Section of the Integrated Annual Report FY 2021-22.		

**2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in FY21. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Nil

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed –**

Not applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**

Yes, Indus has a well-defined anti-bribery and anti-corruption policy. Additionally, anti-bribery and anti-corruption provisions also form part of our Code of Conduct. Indus adheres to the highest level of ethical business practices and has a zero tolerance towards any form of bribery and corruption as articulated in the Policy and the Code. The Code is applicable to all employees,

Board of Directors, suppliers, and other business partners of the company. The ABAC Policy prohibits anyone acting for or on behalf of the Company or representing the Company, whether directly or indirectly, from making or receiving an 'Improper Payment'

Brief highlights of the Policy:

- Employees and associates are not permitted to offer, promise, give, request, accept or authorise bribes in the form either directly or indirectly.
- Declaration on interest by employees
- Guidelines on due diligence to be exercised at the time of selecting firms/entities for doing business, in order to avoid risks of bribery and corruption.
- Regular training and awareness sessions are made available in relation to the ABAC Policy and the Code.
- Indus has provided a whistleblower mechanism to all employees and third parties as per the Whistleblower Policy, to report any concerns associated with unethical business practices, including corruption and bribery.

Indus has a formal procedure to investigate and address any complaint on bribery/ corruption and takes suitable disciplinary action. Such misconduct is periodically reported to the Audit Committee. (link of policy to be added)

**5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption –**

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees / workers that have been brought to our attention.

**6. Details of complaints with regard to conflict of interest–**

Nil

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable.

### Leadership Indicator

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	1) Electrical safety Trainings for O&M partners	15%
	2) Safety Training for Projects	19%
	3) TQM, Quality Assurance training	15%

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, Indus has put in place stringent procedures and safeguards to avoid any conflicts of interest involving members of the Board and other employees.

- The Board and employees of the Company are required to undergo an annual certification on the Code of Conduct of the Company. Code of Conduct covers guidelines related to Conflict of Interest. It provides guidelines for avoiding any conflict of interest, both

actual or apparent, and the mechanism to report any such situations that may give rise to a potential conflict.

- Company also has a well-defined policy and process in place to deal with related party transactions. The Policy disallows the concerned or interested Director to participate in any discussion or approve contracts or arrangements with related parties, to avoid potential conflicts of interest. Company ensures that proper reporting, approval, and disclosure processes are in place for all transactions between the Company and related parties.



**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**

Indus Towers is a leading digital infrastructure Company, offering passive infrastructure services to telecom operators and other wireless services providers across India. The Company constantly aims to ensure safety and optimal resource utilization across the entire life cycle of its services. Indus proactively aims to reduce its ecological footprint across the value chain including its business operations, supply chain and delivery of services, to contribute towards sustainable development. To minimise adverse environmental impact, the Company has undertaken several initiatives across the value chain. This includes initiatives around reduced energy consumption, waste minimisation and innovative solutions to ensure environmental sustainability.

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes’ environmental and social impacts to total R&D and capex investments made by the entity, respectively –**

Indus Towers is conscious of and takes relevant steps to improve its environmental and social impact.

Capex	₹ 778 Mn (2.7% of total capex for the year)	During the year the Company has made capex investment on energy conservation initiatives and initiatives to improve safety measures. The energy efficient solutions enabled the Company to reduce its carbon footprints and the safety measures helped reduce the number of incidents thereby providing a safe workplace to its people.
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To read more about the initiatives taken to reduce carbon footprint, please refer to the Natural Capital and for safety practices, the Human Capital Section of the Integrated Report.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Indus follows a structured approach to ensure sustainable sourcing. It includes periodic monitoring of business practices followed by our partners in the value chain alongside the governance activities to ensure improvements towards Environmental, Social, and Ethical deliverables.

Our monitoring and improvement programs are custom designed to the nature of our engagement with partners. For example, Supply/Infra partners are onboarded post assessments (that go beyond a traditional approach) duly encompassing the assessment of their plants, processes, and practices incorporated for safety, environment, and compliance management. Post-assessment, monitoring and improvement initiatives under the Partner Quality Assurance program empowers them through knowledge sharing training programs.

Since the spread of our business is high on geographical and environmental diversity, we have a mix of national and regional partners engaged in large-scale service operations. Our service partners’ onboarding process is inclusive of qualifying conditions assessed by an independent and competent agency under due diligence program for business conduct, compliances,

and practices for a pre-engagement period, followed by monitoring, auditing and governance mechanisms throughout their journey with our company.

Periodic Performance assessment and rating programs include safe practices, various contractually defined essentials such as usage of PPE, safe practices, audit, and other consequential management.

A Preventive control is also in place, where gating criteria is conducted annually to ensure our business continuity with partners and also declaring compliances laid down in “Code of Conduct” through a self-certification process.

**b. If yes, what percentage of inputs were sourced sustainably?**

We have a structure in place to promote sustainability practices in our value chain. We have initiated our ESG program during the year which has identified sustainable sourcing a material issue for us. We will evaluate the ESG performance of our partners going forward and take adequate actions to ensure sustainability of our sourcing.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

We consume batteries, electrical and electronic products in our business operations. Batteries are classified as

hazardous waste; ACs, Stabilizer, MCU and TCU as e-waste; whereas towers as other non- hazardous waste.

Material deployment from warehouse to sites gets completed through the process of Stock Transfer Note (STN). The retrieval of material from sites to warehouse is initiated post completion of its shelf life through the process of Site Return Note (SRN) which is initiated by user. Post receipt of material at warehouse, it flows into the process of Health Assessment which is done by Chartered Engineers (CE) followed by its validation item wise by a Subject Matter Expert (SME) Partners for declaring it as either repairable or scrap. Items parked in repairable bucket are redeployed to field post completion of repair at SME Workshop.

SRN Material identified as scrap by SME/CE are further assessed by respective Circle Scrap Disposal Committee

(Consisting of Circle Supply Chain/Operations/Quality/ Finance Members). Post CSDC confirmation, approval is initiated for its disposal.

Disposal of assets falling under respective buckets including E- Waste/Hazardous Waste/ General Waste etc. is being done through E- Bidding Platform wherein only authorized/ approved recyclers are allowed to participate in auction followed by scrap lifting from respective warehouse locations.

#### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?

Not Applicable.

### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Indus believes people excellence is the foundation for building a culture of service excellence. The Company strives to strengthen its people culture with continued commitment to its values, people engagement, well-being and diversity. It encourages a culture that supports each employee to realize his or her highest potential. Promoting a safe and empowered workplace with a culture that emphasizes equal opportunity, non-discrimination, meritocracy and freedom of expression is paramount to the Company. The Company aims to provide an environment for the talent to grow and flourish. Company believes in enabling critical and differentiated talent in new categories and channels, strengthening capabilities in a high-performing team, winning talent through a compelling employee value proposition, reconstructing its ways of working and people policies to stay ahead of the curve.

#### Essential Indicators

##### 1 Details of measures for the well-being of employees –

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	3,061	3,061	100%	3,061	100%	-	-	3,061	100%	0	0
Female	187	187	100%	187	100%	187	100%	-	-	187	100%
Total	3,248	3,248	100%	3,248	100%	187	100%	3,061	100%	187	100%

##### 2. Details of retirement benefits-

Benefits	FY 2021-22		FY 2020-21	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Y	100%	Y
Gratuity	100%	N	100%	N
ESI	0%	N.A.	0%	N.A.
Others – please specify	-		-	

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We promote a culture of inclusion for all within the organisation. While some of our offices are compliant as per the requirements of the Rights of Persons with Disabilities Act, 2016, we plan to make all offices compliant.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

We believe in equal opportunity for all and are committed to provide an inclusive work culture and an environment free from any form of discrimination. Indus Towers has an equal opportunity policy which is a part of the code of conduct. The Code of conduct is available at <https://www.industowers.com/wp-content/themes/indus/pdf/21-22/indus-code-of-conduct.pdf>

In order to support the above-mentioned philosophy, Indus has categorized its guidance as follows

- (i) Equal employment and growth opportunities;
- (ii) Assigning roles as per employee's capabilities; and
- (iii) Discrimination free pay.

5. Return to work and Retention rates of permanent employees and workers that took parental leave –

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	87%
Female	100%	83%
Total	100%	87%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief –

	Details of the Grievance Redressal Mechanism
Permanent workers	Indus is committed to providing a safe and positive work environment. The Company envisages an open-door policy and employees have access to several forums where they can raise concerns faced at the workplace.
Other than permanent workers	
Permanent employees	Indus's Whistle Blower Policy provides a mechanism for employees to report any grievances. All employees have access to the Ombudsman through writing a letter, meeting in person, sending email at <a href="mailto:ombudsman@industowers.com">ombudsman@industowers.com</a> or can raise their concern through lodging any wrong doing through Corporate Whistleblower Initiative portal <a href="http://www.cwiportal.com">www.cwiportal.com</a> .  For POSH related matters, incident can be reported to the Chairperson – Internal Complaints Committee at secured hotline or through an email at <a href="mailto:harassment.response@industowers.com">harassment.response@industowers.com</a> .  For genuine concerns, a detailed investigation process is undertaken ensuring fairness for all involved, with an opportunity to present facts and any material evidence. All complaints are dealt on the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness while addressing the concern. The concerns are handled with sensitivity, while delivering timely action and closure.  Stakeholders also have access to the chairperson of the Audit & Risk Management Committee.
Other than permanent employees	



## 7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Nil. However, the Company recognizes right of its employees to assemble, communicate, and join associations of their choice in matters related to their employment within the purview of Company's policies and procedures. Company respects the rights of its employees to associate or not associate through internal employee resource groups and seek representation, to bargain or not bargain collectively in accordance with local laws. As on March 31, 2022, none of the employees of Indus were part of any independent trade union or collective bargaining agreements.

## 8. Details of training given to employees and workers –

Category	FY 2021-22					FY 2020-21				
	Total (A)	On health and safety measures*		On skill upgradation		Total (D)	On health and safety measures*		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F / D)
<b>Employees</b>										
Male	3,061	2,043	67%	3,007	98%	3,221	1,841	57%	3,168	98%
Female	187	79	42%	179	96%	221	89	40%	209	95%
Total	3,248	2,122	65%	3,184	98%	3,442	1,930	56%	3,377	98%

\*During the years under review, all new joiners undertook mandatory safety training. The revised safety refresher for all the employees will be launched in FY 2022-23.

## 9. Details of performance and career development reviews of employees and workers –

100% of eligible employees have received performance and career development reviews.

## 10. Health and safety management system –

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, Indus Towers has occupational health and safety management that has been implemented across all the circles for its employees, associates and partners. The OSH spells out the written processes supported with Standard Operating Procedures which provide the guidelines for the field force to comply with. Governance processes to monitor the OSH implementation, progress on recommendations and progress on creating “Positive Behaviour” at work is also monitored periodically. Governance programs that operate at circle and corporate level are - Circle ESH Council, Partner ESH Council, Partner Corporate Governance meetings, corporate operations review and review at Management Committee meetings.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

There are multiple channels established for identification of the hazards, risk assessments and communication of the hazards (including to field force and last mile).

- I-Mapp - Indus Towers has a robust tool in place to report work-related hazards called I-Mapp. The tool makes it easy for anyone to report any kind of hazard. After validation, a ticket is assigned to the individual (who reports a hazard) and the progress is monitored till closure.

- In addition to I-Mapp, many other campaigns were launched to identify the hazards at the sites like:

- Project NoTE- It is a safety campaign aimed at identifying unsafe transformers and fixing anti-climbing and fencing of the same. This was a 60-day program that made employees and families sign an affidavit for not working on unsafe transformers and EB lines.
- e Safe campaign

The site visits conducted follow certain theme for the month to identify the hazards. A few examples are rental DG process compliance, WH audits, hygiene checks, safety at NB sites and PPE compliance check at filed.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Any employee, associate or technician can report hazards through I Mapp. There are connect programs between technicians and FSE, AOM and up to Circle CEO level where any technician can raise the red flag for any hazard. Apart from reporting, various platforms have been established for communication of hazards.

Few of such initiatives are: Daily TBTs (Toolbox Talks), con call with last miles, mailers, release of safety advisories and ESH Video Conferences.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

Yes. A list of hospitals is available with all the corporate and all circles where the employees can avail the healthcare services. Tie up with doctors has been provided where telephonic or physical consultation can be availed. In addition to this, various monthly /bimonthly connects are organised with experts for the employees where they can take guidance on different matters of wellbeing like seasonal diseases, stress management and mental health amongst many others.

**11. Details of safety related incidents, in the following format –**

Location	Category	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	1.44
Total recordable work-related injuries	Employees	29
No. of fatalities	Employees	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace –**

Indus has ESH policy which is the guidance document from senior management demonstrating intent for creating a safe and healthy workplace. Based on the geographies of the workplaces, various measures are taken to ensure the safety and health of the workplace. Mapping of each telecom tower site with provisions such as fencing of transform, roof edge protection is being done during the design part itself. Various campaigns, safety advisories, training and awareness sessions are being organised to create a safe behaviour. At sites, numerous initiatives have been taken to ensure the safety of employees that includes earthing of all metallic structures, identification of unsafe towers / poles and correction, Tower and pole maintenance and strengthening regime.

We also have a strict Road travel policy for renting vehicles for employees, partners, and customers.

KAVACH Program which encompasses activities of O&M, Deployment and SCM functions has also been revamped to make it more stringent. We take rigorous measures to ensure workplace safety.

**13. Number of complaints on the following made by employees and workers –**

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety						Nil

**14. Assessments for the year –**

Location	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety	100% of our offices and sites are assessed by us internally.
Working conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions**

Our efforts to ensure a high level of workplace health and safety are very stringent and binding. We continuously assess our workplaces to check for any malfunctioning. Our assessment revealed that Electrocutation has been a major contributor for accidents and Indus spends significant time, energy and resources to tackle this. To intercept this problem, we have launched two full-fledged campaigns. These campaigns focus on connecting with families to create safe behaviour in terms of adopting safe practices and usage of PPEs. The focus of these campaigns was also on identification and corrections of hazards at sites during mobile DG installations, transformers, and other critical activities. Our agenda was to address the behaviour as well as the technical aspect of electrical safety.

To read more about the initiatives undertaken by the Company for employee wellbeing, health and safety, please refer to the Human Capital of the Integrated Report.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Indus has defined guidelines for value chain partners as part of its Code of Conduct to pay remuneration to their employees in compliance with the applicable laws and regulations which may include minimum wages, deduction from wages, overtime hours and associated applicable benefits. Additionally, Indus conducts due diligence for its critical value chain partners, through self-assessment surveys, to monitor timely deduction and deposit of statutory dues.

**3. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	70%
Working Conditions	70%

**4. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No significant risks or concerns were identified from assessments of health and safety practices and working conditions of critical value chain partners.



**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

At Indus, we have always been committed to integrate multiple stakeholders in our business model. With the philosophy of 'Putting India first' we work towards preserving and enhancing long-term value of our stakeholders. In our endeavour to build a sustainable future, we aim to develop strategic partnerships with our stakeholders and increasingly engage with them. Stakeholder inclusivity and prioritisation ensure the correct understanding and adequate response to stakeholder needs, interests and expectations. We continue to build and nurture strong relationships with our stakeholders including employees, customers, shareholders, government, communities, suppliers and landlords.

**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

The stakeholder identification process at Indus includes - Identification of all interested and impacted groups, classification of stakeholders in relevant categories and identification of priority groups within each category. The aforesaid steps help in identification of stakeholders

- who are directly or indirectly dependent on Indus's services or on whom Indus is dependent in order to operate, or
- to whom Indus has, or in the future may have, legal, commercial, operational, or ethical/moral responsibilities or
- who can influence or have impact on Indus's strategic or operational decision-making.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>• Townhalls and engagement activities</li> <li>• Employee engagement surveys</li> <li>• Communication through emails and letters</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Employee benefits</li> <li>• Equal opportunities</li> <li>• Recognition</li> <li>• Learning and development</li> <li>• Safety and well-being</li> <li>• Performance review and career development</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>• Emails and Phone calls</li> <li>• Regular Governance Meeting</li> <li>• Annual customer satisfaction surveys</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• High Network uptime</li> <li>• Operational efficiency</li> <li>• Innovative and sustainable solutions</li> <li>• Customer feedback</li> <li>• Resolution of their queries</li> <li>• Collaborate with them for increasing the network footprints</li> </ul>
Shareholders	No	<ul style="list-style-type: none"> <li>• Investor meetings/ conferences</li> <li>• Annual General Meeting</li> <li>• Website updates</li> <li>• Stock Exchange releases</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Plans to maximise returns to the shareholders</li> <li>• Queries on financial and operational performance of the company</li> <li>• Transparent disclosures of material events</li> </ul>

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory bodies	No	<ul style="list-style-type: none"> <li>Electronic correspondence</li> <li>Face to face meetings</li> </ul>	Need based and ongoing	<ul style="list-style-type: none"> <li>Policy Advocacy with concerned authorities</li> <li>Deliberations and inputs on regulations and policies that have bearing on our operations and businesses</li> <li>Inputs on Consultation Papers</li> <li>Amendment in existing regulations keeping in mind emerging technologies</li> <li>Pilot projects</li> </ul>
Community	Yes	<ul style="list-style-type: none"> <li>Engage regularly with community representatives through emails and phone calls</li> <li>Participate in conferences, roundtable discussions and summits to widen the reach</li> <li>In-person events and Community meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Community development</li> <li>No negative impact of business operations on the Community</li> <li>Community grievance redressal</li> </ul>
Suppliers	No	<ul style="list-style-type: none"> <li>Electronic correspondence</li> <li>Supplier audits and visits</li> <li>Company's Website</li> <li>Annual vendor Meet</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Resolving supplier queries</li> <li>Assessing supplier performance</li> <li>Supplier recognition and engagement activities</li> <li>Undertaking discussion on Sustainability Parameters</li> </ul>

### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.**

ESG priorities in the Company are driven from the uppermost level i.e. the Board of Directors. Board provides the strategic oversight and has constituted an ESG Committee to provide guidance and to monitor the ESG progress. The ESG Committee of the Board has delegated the process of undertaking consultations with stakeholders to the management. The outcomes from such consultations are shared with the Committee and the Board.

- During the year, Indus has undertaken a comprehensive materiality assessment and stakeholder engagement exercise to identify environmental, social and governance (ESG) topics of significance to its business.

- As a part of this exercise, Indus along with an external agency, with requisite experience, engaged with the key internal and external stakeholders to understand their concerns and incorporate their views into materiality assessment, for prioritising ESG topics.
- Insights gathered through stakeholder engagement were analysed to develop the materiality matrix and arrive at the final list of ESG focus areas. Result of this assessment was presented to the ESG Committee and the Board. The outcome is being considered for defining ESG targets and initiatives of the company.

*For more details on our stakeholder consultation process, please refer to the Materiality Assessment & Stakeholder Engagement section of the Integrated Report.*

**2. Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

Indus through its CSR initiatives creates a positive impact in the lives of disadvantaged, vulnerable and marginalized communities, in association with the implementing partners. Indus Towers has always been at the forefront of providing support towards social concerns under CSR pillars namely Environmental Sustainability & Swachh Bharat, Education and Skill Development, Community Empowerment and Livelihood, Disaster Relief and Rehabilitation initiatives and other need based initiatives. Our commitment to building a business that has a positive impact on the society and culture of caring for the community where we operate in, an integral part of our business strategy.

- With the objective to provide free quality education to disadvantaged and marginalised children in rural areas Satya Bharti School program and Girl Child Education Program has been initiated. Through these programs, access to free and quality education in rural areas has been made easy to more than 24,000 students. It has also created employment opportunities for educated youth in the rural areas like teachers, empowered girl children, and has increased awareness among communities on the importance of education.
- To reduce the digital divide and to bring in the world of information to isolated and disadvantaged groups in rural/urban slums in Delhi, Dehradun and Bhopal, Indus provides mobility solution through its 20-seater solar enabled Digital transformation Bus program which not only provides various digital certified courses but also provides awareness to community through mass literacy program and this year has supported more than 43,000 beneficiaries. Indus also trained more than 38,000 teachers this year pan India in innovative teaching practices and integrated technology in their classrooms through its Gurushala Program and benefited over 13 Lac students.
- To address the inequality and promote inclusive participation, Indus provides scholarship to students with disability in the age group of 14-30 years to pursue their studies. Indus Towers Scholarship program (ITSP) not only provides scholarship but also provides need-based support in transport, accommodation, study materials, assistive devices allowances on case-to-case basis. This year scholarship was provided to 120 students with disability.
- To enhance livelihood of more than 121,000 farmers, Indus through Smart-Agri program provides sustainable farming approaches and use of Smart Technologies which helps to improve agricultural outputs and reduce the input costs for farmers by ways of real time advisory information.
- To strengthen health facility and be a support to Government to fight against situations like Covid, Oxygen Generation Plant has been installed in Community Health Centre (CHC), Sardhana, Meerut to serve the village population. This will not only increase the oxygen capacity in CHC but also continue to benefit thousands of people.
- To ensure health and hygiene of ~1,100 girl students including teachers and staff of Government schools, Indus through its Sanitation program constructed/renovated 2 toilets in Government Girls' Schools in Khurbura and Rajpura
- To provide safe environment for abandoned and orphaned children Indus through Project Nurture program supports 53 family homes of SOS Children's village for holistic development of 530 children.

*For more details on initiatives undertaken by the Company to address the concern of vulnerable groups please refer to the Social Capital and CSR Report of the Integrated Report.*



### Principle 5: Businesses should respect and promote human rights

The Company's core priorities include respecting human rights of each and every stakeholder, across the value chain. Indus's commitment to human rights is reinforced through its Code of Conduct (COC). The Company complies to all local labour laws and regulations applicable in its operating locations. The Company's COC is applicable to all employees, partners and suppliers to uphold and respect human rights. Compliance to the Code, the relevant labour laws and human rights regulations applicable in the geographies of operation is a major part of associating with Indus. The Company has established processes to address material issues pertaining to compliance, employee well-being and safety, and ensuring a harassment-free workplace.

#### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format –

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Permanent Employees	3,248	3,223	99.2%	3,442	2,927	85%

Indus Towers Code of Conduct covers aspects of Human Rights. All employees are provided mandatory Annual training on Code of Conduct of the Company.

#### 2. Details of minimum wages paid to employees and workers –

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Permanent Employees</b>										
Male	3,061	0	0	3,061	100%	3,221	0	0	3,221	100%
Female	187	0	0	187	100%	221	0	0	221	100%
Total employees	3,248	0	0	3,248	100%	3,442	0	0	3,442	100%

#### 3. Details of remuneration/salary/wages –

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)				
Key managerial person-nel				Refer to Annexure F of Board's Report.
Employees other than BoD and KMP	3,059	₹ 868,000	186	₹ 1,073,000

#### 4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Indus is committed to provide a safe and positive work environment and has a zero tolerance for any human right violation. In this regard the Company encourages an open-door policy. Company has built a strong mechanism for reporting of matters or concerns faced at the workplace.

Any employee, retainer/ consultant, associate, supplier or a business partners can approach the Ombudsman to voice his or her concerns. The Company also has a Policy on Prevention of Sexual Harassment (POSH), and any such concern can be reported to Chairperson of Internal Complaints Committee. All actual violations are dealt seriously on the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness while addressing the concern. The concerns are handled with sensitivity, while delivering timely action and closure.

More details on the process/mechanism are available in our Whistle Blower Policy available on the website of the Company and in the Policy on Prevention of Sexual Harassment (POSH).

**6. Number of complaints on the following made by employees and workers:**

Complaints	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other Human Rights related issues	Nil	Nil	-	Nil	Nil	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Retaliation is strictly against Company's Code. All genuine complaints made in good faith, even if not proven, can be made without fear of reprisals, punishment, intimidation, coercive action, dismissal, or victimization. All actual violations are dealt seriously on the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness while addressing the concern. Anyone involved in targeting a person raising such complaint will be subject to disciplinary actions.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes.

**9. Assessments of the year –**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

Indus internally monitors compliance for all relevant laws and policies pertaining to these issues.

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

No significant risk or concerns were identified in our operations.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

At Indus Towers, we are committed to nurture a greener future, backed by our sustainable operations. With our primary focus on energy efficiency, lesser our dependence on fossil fuels and waste minimisation, we continue our resolve to reduce our carbon footprint. We have consciously developed a responsible approach towards the environment and continue to deploy people, ideas and resources to design effective solutions for a sustainable tomorrow.

### Essential Indicators

#### 1. Details of total energy consumption (in GJ) and energy intensity –

Location	FY 2021-22	FY 2020-21
Total electricity consumption (A)	27,563,582	27,006,685
Total fuel consumption (B)	11,341,789	11,776,478
Energy consumption through other sources (C)	9,154	15,120
Total energy consumption (A+B+C)	38,914,525	38,798,283
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) in Gj/Rs Mn	140.40	151.13

#### 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

We do not have sites/facilities identified as designated consumers under the PAT Scheme.

#### 3. Provide details of the following disclosures related to water -

Parameter	FY 2021-22	FY 2020-21
Total volume of water withdrawal (in kilolitres)	105,247	197,289

#### 4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation -

Given the nature of our operations, this question is not applicable to us.

#### 5. Please provide details of air emissions (other than GHG emissions) by the entity –

Parameter	Please specify unit	FY 2021-22
NOx*	Metric tonne	5,219
SOx	-	-
Particulate matter (PM)	Metric tonne	269
Persistent organic pollutants (POP)	-	-
Volatile organic compounds (VOC)	-	-
Hazardous air pollutants (HAP)	-	-
Carbon Monoxide (CO)	Metric tonne	3,156

\* The data also includes HC

#### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity -

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	835,934	867,297
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	6,048,675	5,926,467
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent	24.84	26.46



**7. Does the entity have any project related to reducing greenhouse gas emission? If Yes, then provide details.**

At Indus, we have consciously developed a responsible approach towards the environment. We are constantly aligning our actions with the UN Sustainable Development Goals (SDGs), with a firm belief to fulfil our obligations towards the environment. We are undertaking various measures across our operations to reduce carbon emissions. We adopt commercially and technically viable alternatives to minimize our reliance on carbon-intensive energy sources.

- Infrastructure sharing- Our inherently sustainable infrastructure-sharing business model directly promotes optimum resource utilization. A concept that not only mitigates duplication of infrastructural cost but also ensures lower carbon footprints.
- Green Sites- We introduced the concept of Green Sites and Green Cities, which were not just diesel-free, but also demonstrate top-notch network performance. As at March 31, 2022 we had 78,667 green sites that expands to 42% of our portfolio. Green sites consume less than 100 litres of diesel per quarter.
- Alternate source of energy- We source alternate modes of energy, which enables us to increase our operational efficiency and reduce our greenhouse gas emission.
  - Solar Intervention for distributed and RESCO Partnership
  - Pilots of Piped Natural Gas and Wind Turbine Solution

- Indoor to Outdoor Conversion
- Shut AC initiative- We installed solar-powered and largescale micro cooling cabinets, natural cooling systems, twin-turbine units, dual turbine units, and large-sized HEX-based micro cooling units as replacements at various locations. NCU (Natural Cooling Unit) is a first-of-a-kind solution to have been implemented in the telecom industry across the world.
- Lean Towers- We have deployed Lean Towers, i.e., towers that do not operate on diesel, thereby reducing carbon emissions.
- Advance battery bank solutions- We have installed advanced VRLA (Valve-Regulated Lead-Acid) batteries and lithium ion batteries to optimise energy consumption and reduce our reliance on diesel per site.
- Multiple initiatives to improve energy efficiency such as Precision Air Conditioning, installing the latest high-efficiency rectifiers, variable ACDG kits, and DCDG kits, Replacing older Power Interface Unit, Using advance batteries, Li-Ion batteries. There has also been addition of TESU and LVCS technologies, Golden Cell Deployment and Collaboration for Eco Site initiatives.

All these energy efficiency initiatives collectively help us in optimising our performance and lowering our emissions. We are also working on a roadmap towards decarbonization.

*For more details on projects undertaken by the Company to reduce GHG emissions, please refer to the Natural Capital section of the Integrated Report.*

**8. Provide details related to waste management by the entity, in the following format -**

Parameter		FY 2021-22	FY 2020-21
<b>Total Waste generated</b>			
Plastic waste (A)		NA	NA
E-waste (B)*	(In Nos.)	6,884	11,612
Bio-medical waste		NA	NA
Construction and demolition waste (D)		NA	NA
Battery waste (E)	(In Metric Tonnes)	26,946	25,650
Radioactive waste (F)		NA	NA
Other Hazardous waste. Please specify, if any. (G)		NA	NA
Other Non-hazardous waste generated (H). Please specify, if any.			
(Break-up by composition i.e., by materials relevant to the sector)			
Category 1* <sup>s</sup>	(In Nos.)	192,730	165,630
Category 2 <sup>ss</sup>	(In Metric Tonnes)	12,936	14,317

Parameter		FY 2021-22	FY 2020-21
Total (A+B + C + D + E + F + G + H)			
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>			
Category of waste			
(i) Recycled			
E-Waste <sup>#</sup>	(In Nos.)	6,884	11,612
Battery Waste <sup>#</sup>	(In Metric Tonnes)	26,946	25,650
(ii) Re-used	-	-	-
(iii) Other recovery operations	-	-	-
Non-Hazardous Waste			
Category 1*	(In Nos.)	192,730	165,630
Category 2	(In Metric Tonnes)	12,936	14,317
Total			
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>			
Category of waste			
(i) Incineration	-	-	-
(ii) Landfilling	-	-	-
(iii) Other disposal operations	-	-	-
Total	-	-	-

\*Company has been tracking and responsibly dealing with the E- waste and other non-hazardous waste on per unit basis. Going forward Company will report the waste data in metric tonnes.

# 100% of E- waste and Battery waste are sold to authorised recyclers.

\$ Category 1 includes DG, Racks, Admin waste etc.

\$\$ Category 2 includes metals, copper strips, steel scraps etc.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Being largest passive infrastructure service provider, we consume batteries, electrical and electronic products in our operations. We classify batteries as hazardous waste; ACs, stabilizer, MCU and TCU as e-waste; whereas towers as other non- hazardous waste. We do not procure hazardous and toxic chemicals.

For waste management, we follow the 3R (Reduce, Reuse and Recycle) principle. Enhancing the lifespan of our assets like diesel generators, power systems, and other electrical infrastructure through renovation and maintenance is one of our strategic ways to sustainably control waste creation and further minimize the impact of the hazardous waste on the environment.

- Immediate Site Return Note (SRN) Health Assessment: Any material retrieved from the field to the warehouse(s) is subject to a through health assessment conducted by a 3rd party Chartered Engineer, declaring the asset Repairable (& redeploy-able) or Beyond Economic Repair (BER); an asset so repaired is thereafter redeployed to the field along with fresh inventory stock.

- Environmentally responsible Scrap policy: The Company independently verifies and partners with only those metal scrap buying entities that adhere to environmentally sustainable or salvaging practices.
- E-Waste Manage: The Company complies to the "E-waste Management Rules 2016" and is compliant towards the following important provisions of the abovementioned rule i.e.
  - Ensuring that e-waste is collected and stored in a secured manner till it is sent to authorised dismantler or recycler as the case may be;
  - Ensuring that no damage is caused to the environment during storage and transportation of e-waste;
  - Ensuring all Environmental and Statutory Compliances are adhered to; and
  - Filing annual returns in Form-3, to the concerned State Pollution Control Board on or before the 30th day of June following the Financial Year to which that return relates.

- Hazardous waste- If an asset is classified as scrap, as part of our extended responsibility, we sell the same to government authorized and certified recycling agencies through online auctioning service of MSTC Ltd (Govt of India enterprise) who assure proper disposal and recycling. We sell our scrap to vendors selected through a fair and open auction for repurposing.

For more details on Waste management, please refer the Natural Capital section of the Integrated Report.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format –

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	6 Sites in North Region of Jammu & Kashmir	Tower Installations	Yes. All NOCs and required permissions have been acquired

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year –

We continue to explore options of reducing our environmental footprints. Towards this, we reduced our diesel consumption by 9% in FY 22 from FY 20 through operational efficiency and replacement of DG sets at sites with batteries.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances –

Yes, we are materially in compliance with applicable Laws and regulations.

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in GJ) from renewable and non-renewable sources:

Parameter	FY 2021-22	FY 2020-21
Total energy consumed from renewable sources	9,154	15,120
Total energy consumed from non-renewable sources	38,950,371	38,783,163

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

There is no significant impact of our sites & operations on biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

For details on specific initiatives undertaken to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please refer to the Natural Capital section of the Integrated Report.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We at Indus strive to work for Best-in-class Digital Infrastructure. This is true for normal days as well as in the face of catastrophes. In order to ensure that our infrastructure stands and enables the Network 24x7, we have developed a Business Continuity Plan "BCP". We have laid a detailed process that creates a system of preparedness, response and recovery from potential threats/disasters to company. BCP contains a detailed framework covering recovery objectives, scenario planning, risk assessment, checklist, accountability & responsibility, communication technology & testing.

During various waves of Covid, Indus had proactively implemented business continuity plan and effectively enabled work from home facility for all the employees by providing necessary IT infrastructure and network security.



The BCP is defined at 4 levels - Severity 1 to Severity 4. Each Severity is designed with the level of preparation. The plan comprises Field alignment - where Tiger Team gets deployed at each location of Forecasted area. The team comprises best technicians, engineers, fillers, ERT (Emergency Response vehicle, equipped with all Material/tools required to recover sites). This team is further supported by our 24 x 7 Tower Operation Centre from Gurgaon. BCP is a proven process of Indus Towers which had ensured zero or minimal disruption of network with fastest recovery during disasters. This has come handy in every cyclone which we have seen in last 3-5 years.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

In the value chain of Indus Towers, its partners and suppliers have environmental impact of their products and services. Based on our assessment of their existing environmental practices such as generation and handling of hazardous waste, installation of a proper gas/fumes exhaust system, we implement a partner corrective action plan. Apart from this, our contractual obligations require our suppliers and partners to self-assess themselves on their compliance to environment laws and best practices. We work with them on regular basis to minimize their environmental footprint through adoption of sustainable practices. We are working on improving overall sustainability of our value chain partners through evaluation of their ESG practices and performance. Future initiatives will be planned to take them through the ESG journey based on their level of maturity.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Our Supplier Code of Conduct (CoC) is applicable to all our value chain partners. The CoC requires them to comply with Indus' Environment, Health and Safety (ESH) policy. As indicated in the previous question, we assess our partners on their key environmental practices. We are working on setting up a framework for assessment of ESG practices and performance of our partners across the value chain in a phased manner. This will be important for improvement of their overall sustainability through implementation of relevant initiatives.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

At Indus Towers, we engage and collaborate with regulators and authorities on multiple issues very proactively. We do advocacy in a responsible manner on important issues/challenges for various regulatory policies governing our industry. The Company also works closely with industry associations and participates in stakeholder consultation to support the Government in framing policies in the areas of Scope Enhancement, Corporate Governance, Ease of Doing business and Social and Community Development. We work to ensure that our public policy positions complement or advance our sustainability and citizenship objectives.

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Indus Towers Limited has affiliations with 7 trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Broadband India Forum (BIF)	National
2	Cellular Operators Association of India (COAI)	National
3	Confederation of Indian Industry (CII)	National
4	Digital Infrastructure Provider Association (DIPA)	National
5	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
6	Forum of Indian Regulators (FOIR)	National
7	The Associated Chambers of Commerce of India (Assocham)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No such matter related to anti-competitive conduct by the entity has been reported.

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/ No)	Frequency of review by Board (Annually/ Half yearly/ quarterly/ others)	Web link, if available
1.	Indian Right of Way Rule-2016	Direct alignment with Authorities i.e. DoT, TRAI, Associations etc. Representation through Associations, interaction with Regulators, seminars etc.	Yes	Quarterly – As required	<a href="https://sugamsanchar.gov.in/circular">https://sugamsanchar.gov.in/circular</a>
2.	Indian Right of Way Rule-Notification dated 19.6.2017_0	Direct alignment with Authorities i.e. DoT, TRAI, Associations etc. Representation through Associations, interaction with Regulators, seminars etc.	Yes	Quarterly – As required	<a href="https://sugamsanchar.gov.in/circular">https://sugamsanchar.gov.in/circular</a>
3.	State RoW Policies	Direct alignment with Authorities i.e. DoT, TRAI, Associations etc. Representation through Associations, interaction with Regulators, seminars etc.	Yes	Quarterly – As required	<a href="https://sugamsanchar.gov.in/circular">https://sugamsanchar.gov.in/circular</a>
4.	Consulta-tion Papers	Provided inputs on many consultation Papers e.g. 1. Use of street furniture for small cell and aerial fiber deployment. 2. “Ease of Doing Business in Telecom and Broadcasting Sector” 3. Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed 4. Enabling Unbundling of Different Layers Through Differential Licensing 5. Scope Enhancement of IP1s	Yes	Quarterly – As required	<a href="https://www.trai.gov.in/release-publication/consultation">https://www.trai.gov.in/release-publication/consultation</a>
5.	FOIR	Indus was the only Company from telecom industry to be part of sub-groups formed by FOIR to give recommendations on deployment of small cells on street furniture. Most of the recommendations given by Indus have been accepted and final notification of the same is awaited.	Yes	Quarterly – As required	<a href="http://www.forumofregulators.gov.in/Data/Meetings/Minutes/79.pdf">http://www.forumofregulators.gov.in/Data/Meetings/Minutes/79.pdf</a>
6.	Renewable Energy	There are many other representations on solar, PNG etc. with GAIL, MoP, DoT etc.	No	Quarterly – As required	No

## Principle 8: Businesses should promote inclusive growth and equitable development

Indus Towers considers organisational success and welfare of communities to be inter-dependent. The Company understands the importance of inclusive growth and being cognisant of this responsibility, the Company has been taking constant efforts to ensure value creation and sustainable growth of communities. The Company is committed to taking pioneering and innovative initiatives to build a digital, more connected, inclusive, and sustainable India. Since digital connectivity can play a vital role in enhancing the socio-economic well-being of a society, Indus along with its customers is proactively supporting the Indian government's flagship 'Digital India' initiative, in pursuit of digital inclusion of the rural population and ensuring last mile connectivity.

The CSR vision of Indus Towers aims at taking active role and responsibility in transforming the lives of communities. As an important participant of the society, Indus along with all its employees remain committed to create positive social change through base-level intervention and volunteering through personal social responsibility program. Being an industry leader, Indus believes that this position brings great responsibility and commitment towards society. Over the years, we have undertaken various CSR initiatives linked to sustainable development goals to bring transformational changes to the bottom-up community transformation and their overall structural change.

### Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year –**

Not applicable

2. **Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity –**

Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community**

The CSR Projects at Indus Towers are implemented in collaboration with the NGO partners. Carefully chosen NGO Partners work in sync with Company's priorities on corporate social responsibility to deliver solutions meant to address the on-ground issues of the communities. Under CSR programs, the NGO partners address the grievances of the community as and when it arises. In addition to this they have regular interaction with the community to bring in more awareness about the program. Depending on the need of the CSR program, NGO partners meet different stakeholders including local village community, school authorities, panchayat, and related government stakeholders for smooth implementation of the program. The Company representatives are in regular touch with the NGO partners and keep themselves apprised of any key concern of the community.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22
Directly sourced from MSMEs/ small producers	35.2%

### Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable



2. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable.

3. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

*For more details on initiatives undertaken by the Company on the community development, please refer to the Social Capital of the Integrated Report.*

### Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Customers are pivotal to our success, and we believe in providing best-in-class services to them. As one of the leading digital infrastructure providers in India, we provide the most extensive network of telecom infrastructure and high-quality services to leading telecom operators in India. We realize the importance of having the right partner and the symbiotic relationship that we share with our customers. With a vision to strive for Customer Delight through continuous innovation, we provide reliable, innovative, cost-effective services built on our integrated infrastructure.

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback -

Towards the goal of providing best-in-class services to the customers, understanding and resolving their needs, queries and providing a suitable resolution to them is an utmost priority. There are several connects that we have with our customers on daily, weekly & monthly basis wherein we touch base with the customers to receive and respond to their needs, queries and take their feedback. Some of these connects are enumerated below:

- Corporate & circle leadership governance meetings with customer's corporate and circle leadership team respectively to discuss on the hygiene of the current business operations, new business initiatives and any disputes.
- Corporate & circle Deployment team meeting with customer's Deployment & Planning team to discuss & resolve delivery related queries.
- O&M team meetings with customer's O&M team to resolve operations and maintenance issue.
- Energy team meetings to resolve diesel, electricity consumption and availability related issues.

- Customer query handling during BCP situations, special projects, or any other exigencies.

Customer can choose from any of the above mechanisms / connects in place to raise complaints or share feedback with Indus.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about – Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/or safe disposal

Not applicable

3. Number of consumer complaints in respect of the following: Data Privacy, Advertising, Cyber-Security, Delivery of Essential Services, Restrictive Trade Practices, Unfair Trade Practices or any other

Nil

4. Details of instances of product recalls on account of safety issues -

Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes, the Company has a well-defined Information Security Policy which is accessible to all the employees on the Intranet.

Indus Towers is committed to protect its information assets from all identified threats, whether internal or external, deliberate or accidental, such that the confidentiality of information is maintained; integrity of information can be relied upon; availability of information is ensured; all legal, regulatory, statutory and contractual obligations are met,

and to ensure continual improvement towards organization wide Information Security Management System. The policy sets a clear corporate direction and describes the security requirements for Indus information assets.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services -**

Not Applicable.

#### Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details of all our products and services is available on our website: <https://www.industowers.com>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not applicable

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Providing consistent passive infra services to our customers is a critical service, and its continuity needs to be ensured even during catastrophes. We proactively inform our customers whenever there is a forecast on natural calamity like cyclone, storm etc. or any kind of local unrest that may lead to unavailability of passive infra. In all such situations

we attempt to proactively follow our BCP and arrange alternative solutions. We endeavour to ensure that our customers can keep the end users connected.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.**

Not Applicable

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

We conduct customer satisfaction surveys through self-administered web-based interviews and online surveys by an independent third-party. These surveys provide us with customer insights, giving us learnings to serve them better, while also strengthening their trust in us. The CSAT score for the year improved from 4.37 to 4.42 out of 5.

6. **Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact.**

There have been no instances of data breaches.

- b. **Percentage of data breaches involving personally identifiable information of customers.**

There have been no instances of data breaches involving personally identifiable information of customers.

# Board's Report

## Dear Members,

Your Directors are pleased to present the Sixteenth Board's Report on the business and operations of Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company') together with the audited financial statements for the financial year ended March 31, 2022.

## Business Overview

Indus Towers is a provider of tower and related infrastructure sharing services. We are one of the largest telecom tower companies in India basis the number of towers and co-locations operated by the Company. The business of Indus Towers is to deploy, own, operate and manage passive infrastructure pertaining to telecommunication operations. The Company provides access to its towers, primarily to wireless telecommunication service providers, on a shared basis under long-term contracts. Your Company has a nationwide presence with operations in all 22 telecommunication circles in India and caters to all wireless telecommunication service providers in India.

As of March 31, 2022, Indus Towers owned and operated 185,447 towers with 335,791 co-locations in 22 telecommunication circles.

## Covid-19

As one of the largest telecom tower companies in India, it is imperative that Indus Towers combats the COVID-19 pandemic by ensuring seamless connectivity to the customers while maintaining and ensuring employees' safety and well-being. Our employees worked overtime to ensure that the vital connectivity is maintained at all times while enforcing social distancing and other safety protocols to contain the spread of the second and third waves of the pandemic during the financial year 2022.

## Financial Highlights

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014.

## A. Consolidated financial results as per Ind AS

Particulars	₹ Millions	
	Year ended March 31, 2022	Year ended March 31, 2021 <sup>1</sup>
Revenue <sup>2</sup>	277,172	139,543
EBIDTA <sup>2</sup>	149,429	72,599
Profit before Tax	84,307	47,569
Profit after Tax	63,731	37,790

<sup>1</sup> Basis Equity Method

<sup>2</sup> Revenue & EBIDTA are excluding other income

## B. Standalone financial results as per Ind AS

Particulars	₹ Millions	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue <sup>1</sup>	277,082	139,508
EBIDTA <sup>1</sup>	149,305	72,586
Profit before Tax	84,243	43,160
Profit after Tax	63,671	33,382

<sup>1</sup> Revenue & EBIDTA are excluding other income

The results for the previous financial year include the results of erstwhile Indus Towers Limited which merged with and into the Company w.e.f. November 19, 2020 for the period subsequent to that date till the end of the financial year (Refer Notes of the Standalone/Consolidated Financial Statements for further details). Accordingly, the figures for the previous financial year ended March 31, 2021 are not comparable with the figures of the current financial year ended March 31, 2022.

## Share Capital

During the financial year 2021-22, there is no change in the Authorized share capital of the Company and it stood at ₹ 35,500,000,000/- divided into 3,550,000,000 equity shares of ₹ 10/- (₹ Ten) each.

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital.



As on March 31, 2022, the issued, subscribed and paid-up equity share capital of the Company is ₹ 269,493,69,500/- divided into 2,694,936,950 Equity Shares of ₹ 10/- (₹ Ten) each fully paid-up.

### Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2022.

### Dividend

On May 5, 2022, the Board has declared an interim dividend of ₹ 11/- per equity share of ₹ 10/- each fully paid up (110% of face value) amounting to ₹ 29,644.31/- Mn for the financial year 2021-22.

### Dividend Distribution Policy

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), top 1000 listed companies based on the market capitalization shall formulate a dividend distribution policy. Accordingly, the policy was adopted by the Board of Directors of the Company to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The dividend distribution policy is available on the Company's website at <https://www.industowers.com/wp-content/themes/indus/pdf/policy/Dividend-Policy.pdf>.

### Credit Rating

As on the date of this report, CRISIL Limited rated their Long-Term Rating to CRISIL AA+/ Stable, Short-term rating to CRISIL A1+ (Reaffirmed) and Bond rating to CRISIL AA+/ Stable. It also reaffirmed the Commercial Papers Rating to CRISIL A1+ assigned to the Company. Further, ICRA Limited rated the Non-Convertible Debentures rating to [ICRA] AA+ (Stable), Term Loans rating to [ICRA] AA+ (Stable), Fund based/ Non-fund based rating to [ICRA] AA+ (Stable) and rating of unallocated limits to [ICRA] AA+ (Stable)/ A1+. It also reaffirmed the Commercial Papers Rating to [ICRA] A1+ and issuer rating to [ICRA] AA+ (Stable) assigned to the Company.

### Transfer of amount to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of Companies Act, 2013 during the Financial Year 2021-22, the Company has transferred an amount of ₹ 150,260/- (Rupees One Lakh Fifty

Thousand Two Hundred and Sixty Only) pertaining to final dividend on equity shares for financial year 2013-14, and ₹ 1,64,619/- (Rupees One Lakh Sixty Four Thousand Six Hundred and Nineteen Only) pertaining to interim dividend for financial year 2014-15, which remained unpaid/ unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, 241 equity shares of the Company on which the dividend remained unpaid/ unclaimed for a period of seven consecutive years were also transferred to IEPF in accordance with the Act and rules thereunder after giving due notice to the concerned shareholders.

The investors whose shares and dividend amount have been transferred to IEPF may claim their shares and seek refund in accordance with the provisions of law. The details regarding the above along with the process for claiming the unpaid dividend / shares is available on the website of the Company at <https://www.industowers.com/investor/shares/>.

The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 3, 2021 (date of last Annual General Meeting) on the website of the Company at <https://www.industowers.com/investor/shares/?var=1657517893>.

### Nodal Officer

In accordance with the provisions of Rule (2A) of Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Ms. Samridhi Rodhe has been appointed as the Nodal Officer of the Company. The details are available on the Company's website at [www.industowers.com](http://www.industowers.com).

### Deposits

The Company has not accepted any deposit and as such no amount of principal or interest was outstanding as on the date of the balance sheet.

### Directors and Key Managerial Personnel

#### Induction, Re-appointment and Resignation

Pursuant to the provisions of the Companies Act, 2013, Mr. Bimal Dayal (DIN: 08927887), Managing Director & CEO, Mr. Thomas Reisten (DIN: 06900067) and Mr. Gopal Vittal (DIN: 02291778), Non-Executive Non-Independent Directors of the Company

will retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The Board, on the recommendation of the HR, Nomination and Remuneration Committee, recommends their re-appointment as Directors liable to retire by rotation at the ensuing AGM.

Ms. Anita Kapur (DIN: 07902012) is going to complete her first term as an Independent Director of the Company on January 16, 2023. On the recommendation of the HR, Nomination and Remuneration Committee, the Board in its meeting held on May 5, 2022, subject to the approval of the shareholders, has re-appointed her as an Independent Director for a further term of five years w.e.f. January 17, 2023 to January 16, 2028. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013 proposing the appointment of Ms. Anita Kapur as Independent Director. The Board recommends her re-appointment at the ensuing AGM. In the opinion of the Board, she possesses requisite qualifications, experience, expertise, proficiency and hold high standards of integrity.

Mr. Balesh Sharma (DIN: 07783637), Non-Executive Non-Independent Director of the Company has resigned from the Board w.e.f. June 30, 2022. The Board placed on record its sincere appreciation for the guidance and contribution made by him during his tenure on the Board.

Pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and applicable provisions of the Listing Regulations and as recommended by HR, Nomination and Remuneration Committee, Mr. Sunil Sood (DIN: 03132202), was appointed as an Additional Director in the capacity of a Non-Executive Non-Independent Director w.e.f. June 30, 2022. He will hold office up to the date of ensuing AGM. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013 proposing the appointment of Mr. Sunil Sood as Director, liable to retire by rotation. The Board recommends his appointment as a Director liable to retire by rotation at the ensuing AGM.

Brief resume, nature of expertise, disclosure of relationships between directors inter-se, details of directorships and Committee membership held in other companies of the Directors proposed to be appointed/ re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard- 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

#### **Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria

of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

#### **Policy on Nomination, Remuneration and Board Diversity**

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Board has adopted a Policy on Nomination, Remuneration and Board Diversity, on appointment and remuneration of Directors, Key Managerial Personnel & Senior Management.

The Policy, inter-alia, includes criteria, terms and conditions for determining qualifications, competencies and positive attributes for appointment of Directors (executive and non-executive including independent directors), Key Managerial Personnel and persons who may be appointed in Senior Management positions, their remuneration and diversity in the Board etc. The detailed policy is available on the website of the Company at <https://www.industowers.com/wpcontent/themes/indus/pdf/Policy-on-Nomination-Remuneration-and-Board-Diversity.pdf>.

#### **Annual Board Evaluation and Familiarisation Programme for Board Members**

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining. A note on the familiarisation programme is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

The HR, Nomination and Remuneration Committee, has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors including the Independent Directors, Chairman and MD & CEO. Customized questionnaires were circulated, responses were analysed, and the results were subsequently discussed by the Board. Recommendations arising from the evaluation process were duly considered by the Board to further augment its effectiveness. A detailed update on the Board Evaluation is provided in the report on Corporate Governance which forms part of this Integrated Report.

#### **Board Meetings**

During the financial year 2021-22, the Board of Directors met 5 times i.e. on April 22, 2021; July 29, 2021; October 25, 2021, January 27, 2022 and February 21, 2022. The period between

any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of Board meetings held, and attendance of the Directors during the financial year 2021-22 are set out in the Report on Corporate Governance which forms part of this Integrated Report.

## Board Committees

The Company has several Board Committees which have been established as part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2022, the Board has 6 Committees, namely, Audit & Risk Management Committee, HR, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee, Environmental, Social and Governance (ESG) Committee and Special Committee of Directors. The details with respect to the composition, powers, roles, terms of reference, number of meetings held etc. of the Committees during the financial year 2021-22 and attendance of the members at each Committee meeting is provided in the Report on Corporate Governance which forms part of this Integrated Report.

All the recommendations made by the Committees of the Board including the Audit & Risk Management Committee were accepted by the Board.

## Subsidiary/ Joint Venture/ Associate Company

As on March 31, 2022, the Company has a wholly owned subsidiary named Smartx Services Limited.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and its subsidiary, which forms part of this Integrated Report. A statement in Form AOC- 1, containing the salient features of the financial statements of the subsidiary company is annexed as **Annexure A** to this report. The statement also provides the details of performance and financial position of the subsidiary company.

Audited financial statements of Smartx Services Limited for the Financial Year 2021-22 have been placed on the website of the Company at [www.industowers.com](http://www.industowers.com). The audited financial statements of the subsidiary company are available for inspection at the Company's registered office and registered office of the subsidiary company. Shareholders interested in obtaining a copy of the audited financial statements of subsidiary company may write to the Company Secretary at the Company's registered office.

The Company does not have any joint venture company or an associate company as on March 31, 2022.

## Human Resources

At Indus Towers, we believe that our people are key to the success of our business. Indus Towers has set an example for several organizations in India by leading the way and demonstrating how putting people front and center in organizational initiatives can lead to achieving higher levels of business performance.

Its values ExCITE -- Excellence, Customer, Integrity, Teamwork and Environment -- foster a culture of alignment and trust where employees find more fulfilment in their work. Despite unprecedented challenges in the telecom industry in India, Indus Towers has navigated change through its sound people strategy. It is the commitment and dedication of our employees that enabled us to keep nation remain connected even amidst adversities and the challenges posed by the COVID-19 pandemic. Our human capital has, therefore, played a pivotal role in shaping Indus Towers into what we are today.

We are building a culture where change is seen as an ongoing process for self-growth and progress. Its ninth consecutive Gallup Exceptional Workplace Award is a testament to its mission, which reiterates our purpose for existence – to transform lives through sustainable Digital Infrastructure and Services which again has been defined post deliberation of our 3,000+ employees coming together to decide what should be the Mission & Vision of the company through a process called Large Scale Interactive Process (LSIP). For a young organization like Indus Towers, which operates in the B2B space, defining and percolating an organization wide culture and becoming an employer of choice are two important and interrelated aspects.

During our journey, we have realized that the first step in creating an employer brand is to define and articulate the culture which proves to be a differentiating factor for external and internal employees. Connecting and engaging with 3,248 employees spread across our 22 circles has become possible through our constant communication especially in time of COVID-19 pandemic. Our leadership has always been the first one to communicate with all employees and focus on their well-being is their priority. Throughout the year, the leadership stood by their people in times of crisis valuing their relentless efforts and providing any type of support that was needed. Not only did they prioritise their health and safety, but also implemented methods to ease anxiety and improve productivity during these tough times.

The communication strategy at Indus has been instrumental in keeping morale of the employees high while ensuring their



engagement at the same time. At Indus Towers, we believe in embracing technology and continue to use it to our advantage to make processes simpler and more efficient. We continue to automate our processes, use the systems and technological shifts have made it even more important for people to become 'fit for the future', both as professionals and as individuals. Keeping this in mind, we constantly organize various learning and development initiatives for our employees. Due to the pandemic, new methods of learning have emerged, and our employees continue to adapt with new-age processes. During the year under review, we strengthened our online learning platform- Oracle Learning Cloud (OLC) by conducting e-learning as well as blended learning. We reviewed our existing courses and made improvements as per the changing needs. We conducted a rapid triage of the entire portfolio of learning offerings and set priorities for what will be necessary to adapt to a virtual/blended or digital only format. To ensure employee safety at workplace, every new employee is required to undergo mandatory safety training as well as Competency Development Program (CDP) which introduces them to understand important concepts and their application in the context of their work. As part of our commitment towards holistic development, employees are continuously being encouraged to go for external certifications and MDP programs from elite institutions like ISB, IIMs, etc. At Indus, we focus on building an overall employee experience and engagement & well-being forms the core of it. Our aim is to make our people proud of the work they do at Indus. We not only want them to excel, but we also want them to realize their contribution to the organization and provide them opportunities to learn and grow.

Some of the key initiatives undertaken during the year included:

- Volunteering programs organized under Personal Social Responsibility (PSR) was organized involving more than 1,100 volunteers impacting over 9,000 beneficiaries. Joy of Giving Week Celebrated- 793 employees participated in activities such as recycling drive, plantation drive, book donation drive, food distribution, clothes donation, visit to old age home etc.
- Conducted financial wellness programs that were designed to help employees manage their finances better Programs were conducted on a regular basis to help employees manage health and stress in work and personal environment focusing on the overall physical and mental wellbeing. Inhouse Doctor and Advisor was onboarded to provide medical consultation. COVID-19 vaccination camps and drives were organized Pan India
- Social and emotional wellbeing formed an essential part of our wellbeing programs- Launch of Digital Reward &

Recognition Platform called i-appreciate to appreciate and recognize employees on the go. Regular field connect with employees, virtual/hybrid engagement initiatives were conducted to keep the connect stronger

Diversity and Inclusion is at the heart of Indus, over the years we have been constantly working on strengthening our policies and processes to provide a safe, equal and inclusive work environment for all. We have been successful in onboarding diverse talent not only for office-based roles but also in the field. While being an engineering and hardcore technical organization, where availability of diverse talent is limited, share of women in our total employee population is 5.8% and we are determined to improve this year on year.

Continuing our efforts to ensure a conducive and safe environment for women employees, we have a mandatory training on POSH added to our online learning module, which needs to be completed by all employees within a month of joining. We also have a neutral Internal Complaints Committee which investigates and takes appropriate action on any concerns related to harassment raised by employees. Apart from this, many engagement initiatives are planned and calendarized for D&I. Talks by Women Leaders were held for I-WIN network, which is a Pan Indus women's network focused on networking, learning and growing. We celebrated International Women's Day with excitement and our women employees who play a transformative role spoke about their experience at Indus that resounded our commitment to create a gender inclusive culture across the telecom infrastructure space. We celebrated the #ToweringWomenofIndus who take it upon themselves to lead purposefully and "Break the Bias".

### Employees Stock Option Plan

To retain, promote and motivate the best talent in the Company and to develop a sense of ownership among employees, the Company has instituted two ESOP schemes i.e. Employee Stock Option Scheme 2008 (ESOP Scheme 2008) and Employee Stock Option Scheme 2014 (ESOP Scheme 2014) with the approval of shareholders. The said schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (ESOP Regulations). The HR, Nomination and Remuneration Committee monitors the Company's ESOP schemes.

In accordance with the ESOP Regulations, the Company had set up Indus Towers Employees' Welfare Trust (formerly Bharti Infratel Employees' Welfare Trust) (ESOP Trust) for the purpose of implementation of ESOP Schemes. Both the ESOP schemes are administered through ESOP Trust, whereby shares held

by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme. In terms of ESOP Regulations, neither the ESOP Trust nor any of its trustees shall exercise voting rights in respect of the shares of the Company held by the ESOP Trust.

During the financial year 2021-22, Company has granted 656,144 stock options under the ESOP Scheme 2014. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme 2008 and ESOP Scheme 2014 is disclosed on the website of the Company at <https://www.industowers.com/investor/shares/>.

A certificate from Chandrasekaran Associates, Secretarial Auditors of the Company, certifying that the schemes are implemented in accordance with the ESOP Regulations and the resolutions passed by the members, is available for inspection by the members in electronic mode and a copy of the same will also be available for inspection at the registered office of the Company.

## Auditors and Auditors' Report

### Statutory Auditors & their Report

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W-W100018) ('Deloitte') were appointed as the Statutory Auditors of the Company by the shareholders in the 11<sup>th</sup> AGM of the Company held on July 22, 2017, for a period of five years i.e. up to 16<sup>th</sup> AGM (ensuing AGM).

On the recommendation of the Audit & Risk Management Committee, the Board, in its meeting held on May 5, 2022 has recommended the re-appointment of Deloitte as the Statutory Auditors of the Company for a second term of five consecutive years i.e. from the conclusion of ensuing 16<sup>th</sup> AGM till the conclusion of 21<sup>st</sup> AGM to be convened in the year 2027. Accordingly, the re-appointment of Deloitte as the Company's Statutory Auditors, is placed for approval of the members. The Company has received the consent and a certificate from Deloitte to the effect that their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 which is

self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

Further, no fraud has been reported by the Statutory Auditors in terms of Section 143(12) of the Companies Act, 2013 during the year.

### Secretarial Auditors & their Report

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2022. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for the financial year 2021-22 is annexed as **Annexure B** to this report.

The Board has re-appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, as the Secretarial Auditors of the Company for the Financial Year 2022-23.

### Internal Auditor and Co-source Partner

The Company has in place a robust Internal Audit team which is headed by the Internal Auditor and ably supported by reputed independent firms.

Mr. Sarabhjit Singh is the Internal Auditor of the Company and PricewaterhouseCoopers Private Limited (PwC) and ANB Solutions Private Limited (ANB) were engaged as the Co-sourced Partners for the year.

The audit conducted by the Internal Auditor and Co-sourced Partners is based on an internal audit plan, which is reviewed each year in consultation with the Audit & Risk Management Committee. As per the report of Internal Auditor, the policies, processes, and internal controls in the Company are generally adhered to, while conducting the business.

## Corporate Social Responsibility (CSR)

The CSR Vision of Indus endeavors on taking an active role and responsibility in transforming the lives of communities by designing and implementing projects that works towards socio-economic upliftment of the communities. The efforts of the Company not only impact the development of the direct beneficiaries, but also attempt to enhance the quality of lives of those who are present in the ecosystem which drive positive change. At Indus, we believe that our business thrives on a strong and sustainable society and

therefore our commitments, focus on integrity, empathy and ethics shape the Indus value system.

On the recommendation of Corporate Social Responsibility (CSR) Committee, Board has approved the CSR Policy, which outlines the Company's CSR strategy to bring about a positive impact on society through various CSR Projects/Programs. Over the years, we have made valuable contributions by impacting lives of more than 3.7 million beneficiaries. Our CSR initiatives are aligned with sustainable development goals of India and are undertaken as per Schedule VII of the Companies Act.

**Presently, the Key focus areas include:**

- Promoting Quality Education for children and adults in rural and urban areas
- Digital literacy for children and adults in rural and urban areas
- Scholarship program for students with disability to pursue higher education of their choice
- Vocational skills training to youth belonging to marginalized communities
- Holistic development of abandoned children
- Providing infrastructural support in the area of sanitation
- Support government in the disaster relief and rehabilitation initiatives

Company-wide, Indus utilizes strengths and resources to benefit local communities. Individually, our employees through volunteering program actively engage in community service and contribute their time and resources to bring in positive change in community.

CSR programs at Indus are implemented by credible partners and are compliant to execute social development projects. These partners are selected on the basis of a robust due diligence process. All our projects are closely monitored and governed by the Board of Directors and the CSR Committee and managed by the CSR council members.

In accordance with the requirements of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has constituted CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

The Company has also formulated a Corporate Social Responsibility Policy, to ensure that the CSR programs of the Company reflect

its vision and values and is aligned with the applicable regulatory requirements. The CSR Policy is available at the website of the Company at <https://www.industowers.com/wp-content/uploads/2022/05/CSR-Policy.pdf>. The details of the composition of CSR Committee, CSR projects, programmes and the Annual Action Plan are also available on the website of the Company.

During the year, the Company was required to spend ₹ 573.03 Mn (2% of average net profits for the last 3 years) towards the CSR activities. Post adjustment of excess spent of ₹ 154.79 Mn. in the previous financial year, the Board has approved ₹ 418.24 Mn as CSR expenditure for financial year 2021-22 out of which the Company has spent ₹ 356.29 Mn till March 31, 2022. The remaining amount of ₹ 61.95 Mn towards the ongoing projects has been transferred to the unspent CSR Account of the Company in compliance with the requirement of Section 135(6) of the Companies Act, 2013.

As a socially responsible organisation, we harmonize our short-term and long-term goals to consistently strive to serve society in a holistic manner to create a larger social impact. The Company is fully committed to the government's vision of corporate social responsibility towards the society and is taking all the efforts for India's sustainable development by embedding wider economic, social and environmental objectives.

A detailed update on the CSR initiatives of the Company is provided in the Social Capital section, which forms part of this Integrated Report. The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as **Annexure C** to this Report.

## Integrated Reporting

SEBI vide circular dated February 6, 2017 has recommended voluntary adoption of Integrated Reporting by the top 500 listed companies in India. In line with its philosophy of being a highly transparent and responsible company and considering IR as a journey, the Company adopts 'Integrated Report' in accordance with the International Integrated Reporting Council (IIRC) framework.

The Integrated Report covers capital approach of IIRC Framework as well as the value that the Company creates for its stakeholders.

## Business Responsibility and Sustainability Report

In accordance with the amended Regulation 34(2)(f) of Listing Regulations read with SEBI Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, the Company has voluntarily adopted Business Responsibility & Sustainability



Reporting (BRSR) for the financial year 2021-22, describing the initiatives taken by the Company from environmental, social and governance perspective. The said report forms part of this Integrated Report.

## Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, forming part of this Integrated Report.

## Corporate Governance

The Company is committed to benchmark itself with global standards and adopting best corporate governance practices. The Board constantly endeavors to take the business forward in such a way that it maximizes long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of Listing Regulations are duly complied with.

A detailed report on the corporate governance pursuant to the requirements of the Listing Regulations forms part of this Integrated Report.

A certificate from the Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated in Listing Regulations is annexed as **Annexure D** to this report.

## Risk Management

Risk management is embedded in Indus Towers' operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the Company and prioritize relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit & Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The Policy lays down broad guidelines for timely identification, assessment and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The Internal Audit function assists the Audit & Risk Management Committee on an independent basis with a review of the risk assessment and associated management action plans.

Operationally, risk is being managed at the top level by Management Committee, chaired by the Managing Director & Chief Executive Officer.

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Integrated Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

## Internal Financial Controls and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion & Analysis section.

## Code of Conduct/ Vigil Mechanism

The Code of Conduct and vigil mechanism of the Company is available on the website of the Company at [www.industowers.com](http://www.industowers.com).

A brief note on the highlights of the Ombudsman Policy/ Whistleblower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance which forms part of this Integrated Report.

## Quality Control

We at Indus Towers believe that quality control acts as an important differentiator and driving force behind customer delight through achievement of high uptime and decreasing energy cost across our footprint.

We continue to fine tune our quality strategies in line with our expanding footprints with the aim of ensuring First Time Right.

The multi-pronged strategies are continually refined in line with changing field dynamics. The stage inspection of on-site work is undertaken by quality engineers for new build sites and major upgrades. Quality audits by independent agencies are undertaken on a regular basis to ensure additional controls. Preventive maintenance audits, process and design improvement and control ensures standardization and quality of workmanship.

We have continued with major project audits such as Electrical Hygiene Audits, Fire Solution Audits, Civil Audits, Refurbished Equipment Audits. Tower maintenance and Foundation strengthening audits to enhance the performance of sites from a long-term performance and safety perspective. As a unique exercise, we have been imparting product and process trainings to vendors/partners along with quality team on the field, thereby contributing to the organization's cause of delivering products at right time and at low price while maintaining the desired quality standards.

Quality also assures that products comply to specifications through pre-dispatch inspection of products.

## Other Statutory Disclosures

### Related Party Transactions

A detailed note on procedure adopted by the Company in dealing with contracts and arrangements with Related Parties is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

All arrangements / transactions entered by the Company with its related parties during the year were in ordinary course of business and on an arm's length basis. Particulars of material transactions with related parties, under the provisions of the Companies Act, 2013, are given in form **AOC- 2** as **Annexure E** to this report.

Names of related parties and details of transactions with them under Ind AS - 24 have been included in Note no. 39 of the standalone financial statements for the financial year ended March 31, 2022 on Page no. 418.

The Policy on the Related Party Transactions is available on the website of the Company at <https://www.industowers.com/wpcontent/themes/indus/pdf/Policy-on-Related-PartyTransactions.pdf>.

### Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### Material changes and commitments affecting financial position between the end of financial year and date of the report

There are no material changes and commitments affecting the financial position of the Company between the end of Financial Year and date of the report.

### Particulars of loans, guarantees or investments

The details of loans given, investments made or guarantees given are provided in Note no. 6, 7 and 12 of the Standalone financial statements for the financial year ended March 31, 2022.

### Commercial Papers

During the year, the Company has raised ₹ 34,000 Mn through issuance of Commercial Papers in various tranches. As on March 31, 2022, the Company has outstanding Commercial Papers amounting to ₹ 9,000 Mn listed on National Stock Exchange of India Limited.

### Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure F** to this report.

Particulars of employees' remuneration as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, in terms of the provisions of the first proviso to Section 136(1) of the Act, the Integrated Report is being sent to the shareholders excluding the aforementioned information. The information will be available on the Company's website at <https://www.industowers.com/> and will also be available for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and a copy of the same will also be available electronically for inspection by the members during the AGM. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company. up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars, may write to the Company Secretary at the registered office of the Company.

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under

Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure G** to this report.

#### Disclosure under Section 197(14) of Companies Act, 2013

The Company does not have any holding company.

The Managing Director & CEO and the Chairman of the Company do not receive any remuneration or commission from the subsidiary company.

#### Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the draft Annual Return having all the available information of the Company as on March 31, 2022, is available on the website of the Company at [www.industowers.com](http://www.industowers.com).

#### Maintenance of Cost Records

The Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013.

#### Prevention of Sexual Harassment at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of employees at workplace. Details of the same including the details of the complaints received is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

#### Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India and notified by Ministry of Corporate Affairs.

#### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

- I. In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards had been followed and there is no material departure from the same;
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2022, and of the profit of the Company for the year ended on that date;
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors had prepared the annual accounts on a going concern basis;
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

#### Acknowledgements

The Directors wish to place on record their appreciation for the assistance and co-operation extended by customers, strategic investors, bankers, vendors, business partners, various agencies and departments of Government of India and State governments where Company's operations are existing and look forward to their continued support in the future.

The Directors would also like to place on record their sincere appreciation for the valuable contribution, unstinted efforts and the spirit of dedication shown by the employees of the Company at all levels.

**For and on behalf of the Board of Directors of Indus Towers Limited  
(formerly Bharti Infratel Limited)**

**N Kumar**  
Chairman  
DIN: 00007848

**Bimal Dayal**  
Managing Director & CEO  
DIN: 08927887

Date: July 27, 2022  
Place: Gurugram



# Annexure A

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part “A”: Subsidiaries

1.	Sl. No.	1 (One)
2.	Name of the subsidiary	Smartx Services Limited
3.	The date since when subsidiary was acquired	September 21, 2015
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2021 to March 31, 2022
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share capital	₹ 150 Mn
7.	Reserve & Surplus	₹ (89) Mn
8.	Total assets	₹ 189 Mn
9.	Total Liabilities	₹ 128 Mn
10.	Investments	Nil
11.	Turnover	₹ 98 Mn
12.	Profit/(loss) before taxation	₹ 65 Mn
13.	Provision for taxation	₹ 4 Mn
14.	Profit/(loss) after taxation	₹ 61 Mn
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

#### Part “B”: Associates and Joint Ventures

Not Applicable

#### For and on behalf of the board

**Harjeet Kohli**  
Director  
DIN: 07575784

**Ravinder Takkar**  
Director  
DIN: 01719511

**Bimal Dayal**  
Managing Director & CEO  
DIN: 08927887

Date: May 5, 2022  
Place: Gurugram

**Vikas Poddar**  
Chief Financial Officer

**Samridhi Rodhe**  
Company Secretary

# Annexure B

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

#### The Members

##### Indus Towers Limited

(formerly Bharti Infratel Limited)  
Building no. 10, Tower A, 4<sup>th</sup> Floor,  
DLF Cyber City Gurgaon Haryana 122002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Indus Towers Limited (formerly Bharti Infratel Limited) (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 (**'Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 (**"Period under review"**) according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment to the extent applicable;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 prior to its repealment; Not applicable to the Company during the Audit Period
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable to the Company during the Audit Period
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
- (vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors / Businesses.

We have also examined compliance with the applicable clauses/Regulations of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;
- ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- i) During the year under review, the Commercial Papers (CP) issued by the Company were listed on NSE Limited in accordance with the provisions of SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and SEBI Circular No. SEBI/HO/DDHS/DDHS/ CIR/P/2019/115 dated October 22, 2019 as amended by SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/167 dated December 24, 2019 prior to its repealment.
- ii) During the year under review, Promoters of the Company, except Bharti Airtel Limited and Nettle Infrastructure Investments Limited, have continued to pledge 56,71,64,035 equity shares of ₹ 10/- each of the Company to secure their payment obligations.
- iii) During the period under review, Bharti Airtel Limited and Nettle Infrastructure Investments Limited have acquired 51,203,802 and 77,097,662 Equity shares respectively of ₹ 10/- each of the Company. Accordingly, the collective shareholding of Bharti Airtel Limited along with Nettle Infrastructure Investments Limited increased to 46.49% in the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.:1428/2021

**Dr. S. Chandrasekaran**

Senior Partner

Membership No. FCS 1644

Certificate of Practice No.715

UDIN: F001644D000246163

Date: 30.04.2022

Place: Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A to this Report and forms an integral part of this report.



**ANNEXURE-A**

To,  
The Members  
**Indus Towers Limited**  
(formerly Bharti Infratel Limited)  
Building no. 10, Tower A, 4<sup>th</sup> Floor,  
DLF Cyber City Gurgaon Haryana 122002

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No.:1428/2021

**Dr. S. Chandrasekaran**  
Senior Partner  
Membership No. FCS 1644  
Certificate of Practice No.715  
UDIN: F001644D000246163

Date: 30.04.2022  
Place: Delhi

- (i) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.
- (ii) This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to financial year ended March' 2022.

# Annexure C

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

The CSR Policy is intended to ensure that the CSR programs of the Company reflect its vision and values and is aligned with the applicable regulatory requirements. With active participation from its leaders to employees, the CSR arm of Indus tries to create positive social change through base-level intervention and volunteering. Being a global leader, Indus believes that this position brings great responsibility and commitment towards society.

The CSR vision of Indus Towers aims in taking an active role and responsibility in transforming the lives of communities by improving their socio-economic conditions. The efforts of the Company will not only impact the development of the direct beneficiaries, but also attempt to enhance the quality of lives of those who are present in the ecosystem which drive positive change.

Indus Towers has adopted a multi-fold approach for CSR and mainly promotes but not limited to:

- Education and skill development
- Swachh Bharat and environment sustainability (including contribution to approved technology incubators)
- Community empowerment and livelihood projects
- Disaster relief and rehabilitation initiatives
- Health, eradication hunger, malnutrition and other need-based initiatives

### 2. Composition of CSR Committee: As on March 31, 2022, the Committee comprised 4 members of whom 2 are Independent Directors and 2 are Non- Executive Non-Independent Directors. Ms. Sonu Bhasin is the Chairperson of the Committee.

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Sonu Bhasin	Non -Executive Independent Director- Chairperson	4	4
2	Mr. N Kumar	Non – Executive Independent Director	4	4
3	Mr. Rajan Bharti Mittal	Non- Executive Non-Independent	4	1
4	Mr. Ravinder Takkar	Non- Executive Non-Independent	4	3

**3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

**Composition of CSR Committee:** <https://www.industowers.com/investor/corporategovernance/#board-committees>

**CSR Policy:** <https://www.industowers.com/wp-content/uploads/2022/05/CSR-Policy.pdf>

**CSR Projects:** <https://www.industowers.com/csr/?var=1657517893>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.**

The Company has undertaken the impact assessment of Project Nurture and Girl Child Education Program. The summary of the Impact Assessment is attached as Annexure A and the detailed Impact Assessment of both the programs is available on the website of the Company at <https://www.industowers.com/csr/?var=1657517893>.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Mn)	Amount required to be set-off for the financial year, if any (in ₹ Mn)
1.	2020-21	154.79	154.79

**6. Average net profit of the company as per section 135(5) : ₹ 28,651 Mn**

**7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 573.03 Mn**

**(b) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years : Nil**

**(c) Amount required to be set off for the financial year, if any : ₹ 154.79 Mn**

**(d) Total CSR obligation for the financial year (7a+7b-7C) : ₹ 418.24 Mn**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹) Mn	Amount Unspent (in ₹) Mn				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
356.29	61.95	April 11, 2022	N.A.	-	-



**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹) Mn	(8) Amount spent in the current financial Year (in ₹) Mn	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) Mn	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Indus Towers Scholarship Program for disabled	Sec. 135 (ii) Promoting education	Yes	Eight states in North East <sup>a</sup>	Covered 62 districts Including <sup>c</sup>	Five years	6.44 <sup>a</sup>	5.89	0.55	No	Shishu Sarothi (centre for Rehabilitation and Training for Multiple Disability)	CSR00001148
2.	Indus Digital Transformation Van program	Sec. 135 (ii) Promoting education	Yes	Delhi, Uttarakhand and Madhya Pradesh	North East Delhi, Dehradun and Bhopal	Till 31 <sup>st</sup> Mar' 23	13.47	-	13.47	No	NIIT Foundation	CSR00000621
3.	Disaster Initiatives- Oxygen Generator Plant and Mobile Health cum Vaccination Van and Logistics Van	Sec. 135 (i) & (xii) Promoting healthcare & disaster management	Yes	Uttarakhand Uttar Pradesh, Maharashtra <sup>d</sup>	Dehradun, Meerut and Mumbai <sup>d</sup>	Till 30 <sup>th</sup> June' 23	12.57	10.43	2.14 <sup>d</sup>	No	Impact Guru Foundation	CSR00000991
4.	Girl child education program	Sec. 135 (ii) & (iii) Promoting education and reducing inequality	Yes	Rajasthan, Uttarpradesh, West Bengal, Haryana, Uttarakhand	12 Districts <sup>e</sup>	Till 31 <sup>st</sup> Mar'23	54.79	9.00	45.79	No	IIMPACT	CSR00002935
<b>TOTAL</b>							<b>87.27</b>	<b>25.32</b>	<b>61.95</b>			

- a. Indus Towers Scholarship Program is a multi-year project with two phases. However, out of the total project cost, the budget is approved by the Board on Annual basis and only the annual amount allocated for the project is considered in the total CSR spend.
- b. Assam, Arunachal Pradesh, Meghalaya, Mizoram, Sikkim, Tripura, Nagaland and Manipur
- c. East Kameng, Lower Subansiri, Papum Pare, West Siang, Upper Subansiri, West Kameng, Biswanath, Cachar, Darrang, Jorhat, Kamrup, Kamrup Metro, Karbi Anglong, West Karbi, Anglong, Morigaon, Sonitpur, Tinsukia, Udalguri, Kokrajhar, Barpeta, Baksa, Hailakandi, Bishnupur, Churachandpur, Imphal East, Imphal West, Kakching, Thoubal, Ukhrul, Tegnapal, Noney, Kangpokpi, Tamenglong, Chandel, Jiribam, East Khasi Hills, Ri Bhoi, South West Khasi Hills, West Jaintia Hills, West Khasi Hills, Aizawl, Lawngtlai, Lunglei, Serchhip, Kolasib, Mamit, Kohima, Dimapur, Peren, Mokukchung, Mon, Tuensang, East Sikkim, West Sikkim, South Sikkim, Darjeeling, West Tripura, South Tripura, Sepahijala, Khawai, North Tripura
- d. Ongoing project in Dehradun (Uttarakhand) only. Project in Meerut (UP) and Mumbai (Maharashtra) is already completed
- e. Bundi, Banswara, Rajsamand, Prayagraj, Hardoi, Kheri, Shahjahanpur, Bankura, Purulia, Mewar, Uttarkashi, Tehri Garhwal

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹) Mn	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Satya Bharti school program, Satya Bharti quality Support Program and other education programs	Sec. 135 (ii) Promoting Education	Yes	Haryana, Punjab Rajasthan, Tamilnadu, Uttarpradesh	Covered 9 districts <sup>f</sup>	169.36	No	Bharti Foundation	CSR00001980
2.	Learning with Vodafone idea and programs	Sec. 135 (ii) Promoting Education	Yes	Pan India	More than 650 districts	112.91	No	Vodafone Foundation	CSR00007012

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹) Mn	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
3.	Project Nurture	Sec. 135 (i), (ii), (iii) Promoting Education, health, reducing inequalities	Yes	18 States <sup>a</sup>	21 Districts <sup>b</sup>	40.00	No	SOS Children's Villages of India	CSR00000692
4.	Sanitation Project (in two Government Girls School)	Sec. 135 (i) & (iv) Preventative healthcare and environment sustainability	Yes	Uttarakhand	Dehradun	2.62	No	Sulabh Sanitation Mission Foundation	CSR00000348
5.	Monitoring expenses for all program including ongoing projects	-	-	-	-	1.89	-	-	-
<b>TOTAL</b>						<b>326.77</b>			

f Amritsar, Jodhpur, Kaithal, Kurukshetra, Ludhiana, Kosli, Sangrur, Shahjahanpur, Sivaganga

g Punjab, Rajasthan, UP, MP, Delhi, Haryana, West Bengal, Andhra Pradesh, Kerala, Tamil Nadu, Gujarat, Maharashtra, Telangana, Jammu UT, Kashmir UT, Orissa, Assam, Bihar

h Patiala, Jaipur, Varanasi, Bhopal, North West Delhi, Faridabad, Kolkata, Vishakhapatnam, Ernakulam, Chennai, Kutch, Raigad, Pune, Latur, Ranga Reddy, Jammu, Srinagar, Khorda, Kamrup Metro, Hojai, Begusarai

**(d) Amount spent in Administrative Overheads : ₹ 3 Mn**

**(e) Amount spent on Impact Assessment, if applicable : ₹ 1.20 Mn**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 356.29 Mn**

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹) Mn
(i)	Two percent of average net profit of the company as per section 135(5)	573.03
(ii)	Total amount spent for the Financial Year	356.29
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	154.79
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

**9 (a) Details of Unspent CSR amount for the preceding three financial years: Nil**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	

Not Applicable

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

During the year, the Company was required to spend Rs. 573.03 Mn (2% of average net profits for the last 3 years) towards the CSR activities. Post adjustment of excess spent of Rs. 154.79 Mn. in the previous financial year, the Company has spent Rs. 356.29 Mn till March 31, 2022. The remaining amount of Rs. 61.95 Mn towards the ongoing projects has been transferred to the unspent CSR Account of the Company in compliance with the requirement of Section 135(6) of the Companies Act, 2013.

**For Indus Towers Limited (formerly Bharti Infratel Limited)**

Date: May 5, 2022  
Place: Gurugram

**Sonu Bhasin**  
Chairperson CSR Committee  
DIN: 02872234

**Bimal Dayal**  
Managing Director & CEO  
DIN: 08927887



## Annexure A

## Impact Assessment of CSR Projects

Indus Towers Limited (“Indus”) is a leading telecom tower company enabling communication for millions of people.

Indus CSR Pillar	Education and Skill Development	Need Based Initiatives
Program / Partner Name	Girl Child Education (IIMPACT)	Project Nurture (SOS Children’s villages of India)
Objective	Provides education access to 12,300 girls from socially and economically disadvantaged sections of society, by supporting IIMPACT to establishing and running 410 community-based learning centres in villages.	Provide support to 53 family homes of 530 destitute and children without parents and their 53 mothers
Sample Size	324 beneficiaries	203 beneficiaries
Locations for study	Rajasthan (Bundi), Uttarakhand (Tehri-Garhwal), Haryana (Mewat), Uttar Pradesh (Prayagraj) WB (Bankura))	Haryana (Faridabad Greenfield Faridabad Sector 29), WB (Kolkata), Maharashtra (Alibag Latur), AP (Hyderabad), Kerala (Kochi)

## Process flow of the impact assessment study

- Initial calls with the NGOs and Indus Towers to understand the scope of the programme
- Interview by Samhita with implementing team - the funder company and the NGO partner
- Secondary research and literature review
- Designing survey tools
- Interviews / surveys with children
- Qualitative interactions with other stakeholders
- Data analysis and reporting
- Guidelines issued by Juvenile Justice Act, 2015
- Utilisation of Integrated Child Protection Scheme

## Recruitment &amp; training

- Each village has a Village Director, Educational co-worker, SOS Mothers & Youth co-workers
- Mothers carefully selected and go through training

## Infrastructure

- Comparison against UNICEF’s alternative care facilities observation checklist & specifications in the JJ Act, 2015

## Care taking process

- Creation of Individual Care Plans (ICPs)
- Health
- Nutrition
- Education
- Religion
- Extracurricular activities
- Life skills
- Child safeguarding

## Key Performance Indicators – SOS Children’s Village of India

Project Nurture was evaluated on the basis of the following key parameters, which have been identified as per global frameworks from SOS International and UNICEF as the building-blocks that strengthen any alternative care facilities programme

## Efficiency

## Adherence to guidelines &amp; law

- Guidelines for children in alternative care facilities issued by UNCRC

**Leaving Care process**

- Career counselling
- Higher education
- Vocational training
- Transition to independent living
- Support post SOS

**Effectiveness**

- Access to primary & secondary education, Regularity in attendance, Academic performance, Access to vocational skill building, Values and beliefs
- Access to healthcare, Hygiene, Menstrual hygiene, Mental health, Care & relationships
- Reporting on violence, Self-esteem, Life satisfaction & friendships

No. of children who have taken up employment/studying/restored					
School	Degree/ Diploma	Vocational/ certificate	Preparatory class	Special school	Internship/ job training
392	108	10	12	5	5

**Efficiency Indicators – Girl Child Education Program**

- Selection of Partner Non-Government Organisations
- Mobilisation of the community
- Participation of the community as stakeholders
- Quality and maintenance of the learning centres (Infrastructure)
- Quality of teachers and teacher training process
- Development of curriculum and provision of interactive TLM
- Monitoring of the Learning Centres by programme staff
- COVID-19 Alternative Learning Arrangement mode

**Effectiveness Indicators – Girl Child Education Program**

- Improved access to the education for girl children
- Improved learning levels of children
- Improved inter-personal skills of children
- Improved status of women (teachers) in the community

*“My father never used to send me to school earlier. I was not sure what happens there. Now, after coming to the tuition centre, they send me to school, and I feel so happy. I was sad during COVID that schools were shut, but our ma’am at the centre supported us regularly”*

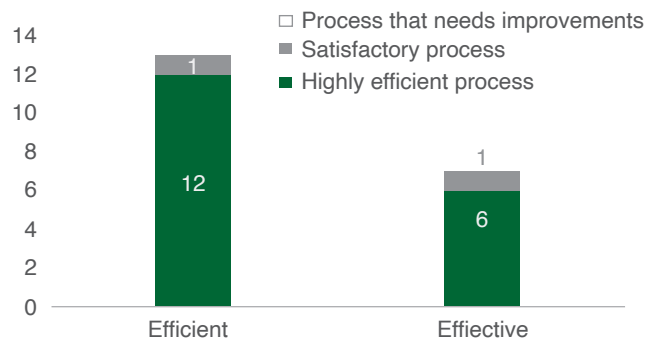
**- Student, Learning Centre, Rajasthan**

*“When parents are motivated to enrol the students in the learning centre, they become more comfortable in enrolling them in schools and after a little motivation they can be convinced to allow their children to continue to higher grades. The goal is to ensure that the parents take one small step at a time.”*

**- Project staff, UP**

**Summary – Key Findings of SOS and the Girl Child Education Programme**

**Summary of Key Performance Indicators**



- Majority of the programmes adhered to the processes and activities as planned and have been rated as ‘present and well-executed’ with few programmes with a scope for improvement.
- Indicators that could be improved upon: quality & maintenance of learning centres (GCEP), knowledge & skill levels (SOS)

## Recommendations for Project Nurture (SOS)

### Increased psychological support for Mothers on account of COVID-19 impacts

- Increased focus on activities & interventions to provide SOS Mothers with psychological support owing to increased caregiving burden due to COVID-19
- Increasing organisation level & individual focused interventions such as support groups, office hours, & encouraging pursuit of hobbies & interest

### Teaching children concepts of gender equality & their rights

- Regular sessions for children on topics of gender equality & gender norms as education on gender norms is the need of the hour across the world, and can impact aspects such as education, marriage & health
- Sessions designed by organisations such as The Prerna Boys School, Drishtikono-Changing Perspectives, Breakthrough could be held, and training to conduct these sessions could be held for Educational co-workers of SOS

## Recommendation for Girl Child Education program (IIMPACT)

### Strengthening participation of female employees in the GCEP team

- Given the nature of this programme where the field team were in constant contact with the female teachers and girl children, it would be more convenient and conducive to work if more female employees take up the roles at IIMPACT

### Inclusion of gender specific topics

- Given the age of the girl children it would be appropriate to introduce menstrual health and hygiene practises.
- Additionally, apart from imparting knowledge on 'good touch and bad touch,' the girls could also be taught about safeguarding mechanisms from physical and sexual abuse.

### Periodic assessment of the infrastructure

- As per multiple guidelines set out with regards to the audit of learning infrastructures, an educational centre / learning centre could adhere to certain standard guidelines or could layout criteria for monitoring to ensure the safety of children.
- Apart from the infrastructure assessment, maintenance would also be required for the learning centres.



### Theory of change and outcome mapping-SOS

The Theory of Change proposed by the programme was, 'Through education, health, and psychological development, support the holistic development of 530 parentless and destitute children from 53 family homes, and helping them build families for children in need, help them shape their own futures, and share in the development in their communities

Impact	Inputs/Activities	Outputs	Outcomes
Improved knowledge and skill levels	<ul style="list-style-type: none"> <li>Providing Education</li> <li>Providing children with equipment and accessories to facilitate children's hobbies</li> <li>Facilitating vocational training and higher education</li> </ul>	<ul style="list-style-type: none"> <li>No. of children become school-ready</li> <li>All children are provided career counselling and training programmes</li> <li>No. of children enrolled in vocational skill or higher education</li> </ul>	<ul style="list-style-type: none"> <li>90% children continue their education and those in sr. secondary opt for higher education</li> <li>Children have clarity to choose a pathway</li> <li>Children supported for education or vocational training as they leave care</li> </ul>
Improved physical and mental well-being	<ul style="list-style-type: none"> <li>Providing health, nutrition, and food security to children</li> <li>Providing counselling support and mitigating trauma in children</li> <li>Personalised care by SOS Mother/Youth Co-workers</li> </ul>	<ul style="list-style-type: none"> <li>No. of children with improved BMI and health</li> <li>No. of children with basic needs met</li> <li>No. of children having behaviour issues are supported with professionals, regular activities, and counselling.</li> </ul>	<ul style="list-style-type: none"> <li>Children voice their needs and concerns without fear in various platforms</li> <li>100% Children have a joyful childhood and attachment with their mothers and homes</li> </ul>
Improved quality of life	<ul style="list-style-type: none"> <li>Ensuring emotional wellbeing of SOS mothers and Youth Co-workers</li> <li>Formation of children's and youth committees</li> <li>Handholding support to children leaving care</li> </ul>	<ul style="list-style-type: none"> <li>100% of mothers and staff are trained on emotional well-being</li> <li>100% of children are part of children clubs</li> <li>All children are trained on child safeguarding</li> </ul>	<ul style="list-style-type: none"> <li>Children got settled either by job or marriages</li> </ul>

### Theory of change and outcome mapping- Girl Child Education programme

Impact	Inputs/Activities	Outputs	Outcomes
Improved girl child education	<ul style="list-style-type: none"> <li>Establishing LCs in multiple villages</li> <li>Mobilising and sensitising the community on the issue of girl child education</li> <li>Survey and enrolment of out-of-school girls</li> <li>Assigning a local female teacher to the LC</li> </ul>	<ul style="list-style-type: none"> <li>No. of LCs set up</li> <li>No. of girls enrolled</li> <li>No. of teachers employed</li> </ul>	<ul style="list-style-type: none"> <li>Improve girls' access to the education</li> </ul>
	<ul style="list-style-type: none"> <li>Providing good quality education with a robust curriculum and TLM</li> <li>Periodic evaluation to assess the learning levels of the student</li> </ul>	<ul style="list-style-type: none"> <li>Learning outcomes mapped for each level</li> <li>No. of assessments conducted</li> <li>Score of children</li> </ul>	<ul style="list-style-type: none"> <li>Improve girls' retention in the centre</li> </ul>

Impact	Inputs/Activities	Outputs	Outcomes
	<ul style="list-style-type: none"> <li>Bridging the gap in learning at par with formal schools</li> <li>Assisting the enrolment of students in class 6</li> <li>Periodic follow-up with graduated students</li> </ul>	<ul style="list-style-type: none"> <li>Scoring higher than 60% in regular school class 5 exams</li> <li>No. of girls enrolled in schools</li> <li>No. of girls continuing their higher education</li> </ul>	<ul style="list-style-type: none"> <li>Continuity of education, ensuring class 5 education and enrolment in class 6</li> </ul>
	<ul style="list-style-type: none"> <li>Provision of TLM to the LCs</li> <li>Provision of a space for LC through the community</li> <li>Setting up and strengthening of community institutions like the centre management committee</li> </ul>	<ul style="list-style-type: none"> <li>No. of TLMs provided to each LC</li> <li>LC infrastructure provided by the community</li> <li>No. of meetings of CMC</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure development</li> </ul>
	<ul style="list-style-type: none"> <li>Periodic training of the teacher</li> </ul>	<ul style="list-style-type: none"> <li>No. of trainings attended by the teacher</li> </ul>	<ul style="list-style-type: none"> <li>Capacity building</li> </ul>

## Contribution to National and Sustainable Development Goals

### National goals



### Sustainable Development Goals



# Annexure D

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

### The Members of Indus Towers Limited

(Formerly Bharti Infratel Limited)

Building No. 10, Tower 10 A,

4th Floor, DLF Cyber City,

Gurugram, Haryana-122002

1. This certificate is issued in accordance with the terms of our engagement letter dated September 29, 2021.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Indus Towers Limited ("the Company"), (Formerly known as Bharti Infratel Limited), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations (as amended) during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

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

**Vijay Agarwal**

Partner

Place: Gurugram

Date: May 5, 2022

Membership No: 094468

UDIN: 22094468AIOFG7760



# Annexure E

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

### 1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered in to during the year ended March 31, 2022, which were not at arm's length basis.

### 2. Details of material contracts or arrangement or transactions at arm's length basis

S. No.	Particulars	1 (One)
(a)	Name(s) of the related party and nature of relationship	Bharti Airtel Limited (Parent Company till November 18, 2020 and Promoter Company w.e.f. November 19, 2020).
(b)	Nature of contracts/ arrangements/	<ul style="list-style-type: none"> <li>To provide passive infrastructure services</li> <li>To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc.</li> <li>Rental/Reimbursement of charges towards usage of offices/properties and availing related services.</li> </ul>
(c)	Duration of contracts/ arrangements/ transactions	<p>All the contracts/arrangements/transactions are ongoing basis except as under:-</p> <ul style="list-style-type: none"> <li>10/15 years for providing of passive infrastructure services to Bharti Airtel Limited for each colocation by Indus Towers Limited (formerly Bharti Infratel Limited) or "the Company" pursuant to Master Service Agreement executed between Bharti Airtel Limited &amp; the Company.</li> <li>By virtue of Amendment 3 and 5 to MSA executed with Bharti Airtel Limited, all tenancies with tenure expiring on or before March 31, 2022 got unconditionally extended upto March 31, 2022. Further, the Company has negotiated for renewal package against the tenancies expired/ due for expiry by March 31, 2023.</li> <li>Agreement for USOF sites for Project maintenance charges and Operation &amp; maintenance charges</li> <li>Multiple separate term sheets have been signed with Bharti Airtel Limited for new products offered from time to time like Eco Site, Eco Lite site, Repeater Site, IOT, Nano Site, Small Cell, Lite Plus etc.</li> <li>Exit Settlement Agreement for Telenor and Tata exited sites has completed as of March 31, 2022.</li> </ul>

S. No.	Particulars	1 (One)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> <li>• To provide passive infrastructure services</li> </ul> <p>The Company has entered into Master Service Agreements (MSA) with Bharti Airtel Limited in December 2007 and March 2008 (for the Company and erstwhile Indus Towers Limited (merged with the Company w.e.f November 19, 2020), respectively) and subsequently four amendments for the Company and six amendments for erstwhile Indus Towers Limited have been executed till date. The MSA and its amendments executed between the parties sets out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance services; and corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the SLA applicable to both the parties w.r.t. their respective obligations under the MSA.</p> <p>The MSA also captures the tower sharing process, site selection, acquisition and deployment timelines, the service levels and uptimes to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, various site level premiums, additional charges determined basis the installed active equipment of the sharing operator etc. Further, energy charges are recovered from the customer on pass through basis, distributed amongst the customers basis their respective DCEM load. The parties have also executed joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions.</p> <p>Both the parties vide MSA Amendment 3 and 5 respectively, effective April 1, 2016, have changed some of the existing clauses of the MSA in respect of increment freeze on existing tenancies, change in standard thresholds for additional charges and changes in the permitted exit for tenancy and active equipment in order to bring parity with new business.</p> <p>Both the parties vide MSA Amendment 4 and 6 respectively, effective February 28, 2020, have changed the clauses in respect of Security Deposit and Credit period under the MSA.</p> <p>In accordance with the settlement agreement, both the parties have changed the clauses in respect of the credit period and dispute resolution mechanism under the MSA.</p> <p>During the year, the Company has offered various new products to Airtel under the MSA keeping in mind its requirement for various solutions for their network.</p> <p>Further, Under USOF agreement, the Company is entitled to one-time project management charges for USOF sites RFled under the contract. Additionally, the Company will also get monthly Operation &amp; maintenance charges against the RFled USOF sites. The company has executed fresh USOF agreements for the states of UPE, Bihar, West Bengal, AP and Telangana, Arunachal Pradesh for project management services. The Company has also entered into a agreement for sharing Dark Fibre for a period of 15 years in Bhopal Smart City.</p> <p>Overall monetary value of the transaction depends upon the number of sites provided, site location, number of co-location etc. and vary from time to time. The net value of such transaction for financial year 2021-22 amounts to ₹ 109,290 Mn (excluding GST).</p> <p>Further, revenue recognized during the financial year 2021-22 due to exit charges (including interest) on account of exit settlement term sheet executed earlier amounting to ₹ 930 Mn (excluding GST).</p>

S. No.	Particulars	1 (One)
		<ul style="list-style-type: none"> <li>To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc.</li> </ul> <p>Bharti Airtel Limited is engaged in the business of providing various telecommunication services. The Company avails many of these telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. from Bharti Airtel Limited on arm's length basis.</p> <p>Overall monetary value of the transaction depends upon the number / volume of services availed and the applicable rates of such services at the relevant time. The net value of such transaction for financial year 2021-22 amounts to ₹ 136 Mn.</p> <ul style="list-style-type: none"> <li>Rental/Reimbursement of charges towards usage of offices/properties and availing related services.</li> </ul> <p>The Company has been occupying space in some offices and properties of Bharti Airtel Limited and availing related facilities at such locations. The Company reimburses charges for such usage and related services.</p> <p>Overall monetary value of the transaction depends upon the number / volume of services availed and the charges applicable at the relevant time. The value of such transaction incurred during FY 2021-22 amounts to ₹ 50 Mn.</p>
(e)	Date(s) of approval by the Board, if any	April 27, 2015*
(f)	Amount paid as advances if any	Nil

**NOTE:** The term “material” means a transaction to be entered individually or taken together with previous transactions in a financial year, which exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as defined in the Related Party Transaction Policy of the Company.

\*Initial approval of Board dated April 27, 2015 and subsequent approvals from time to time; initially approved by the Shareholders in the AGM held on August 11, 2015 and subsequent approval of shareholders on July 24, 2018 and February 2, 2019. MSAs have been subsequently amended from time to time. The related party transactions and modifications thereof are placed before the Audit & Risk Management Committee for prior approval as per the provisions of the Listing Regulations and Companies Act, 2013.

#### For Indus Towers Limited (formerly Bharti Infratel Limited)

Date: May 5, 2022  
Place: Gurugram

**N Kumar**  
Chairman  
DIN: 00007848

**Bimal Dayal**  
Managing Director & CEO  
DIN: 08927887



# Annexure F

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND SUBSEQUENT AMENDMENTS THERETO

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22	The median remuneration of employees is ₹ 877,000 per annum. Please refer Table A for the ratios.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year 2021-22	Please refer Table A
(iii)	The percentage increase in the median remuneration of employees in the financial year 2021-22	5%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2022 (on standalone basis)	3,248
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in financial year 2021-22 and its comparison with the percentile increase in the managerial remuneration and justification thereof	Average percentage increase in the remuneration of employees excluding KMPs is 4.52% and average increase in the remuneration of KMPs and managerial personnel is 9.32% in line with the industry benchmark.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration paid is as per the remuneration policy of the Company.

**Table A**

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial year 2021-22 (In ₹)	% increase in remuneration in financial year 2021-22 <sup>ss</sup>	Ratio of remuneration of each director to median remuneration of employees <sup>a</sup>
<b>Executive Directors</b>				
1	Mr. Bimal Dayal (Managing Director & CEO) <sup>c</sup>	50,563,112	8.00%	56.59
<b>Independent Directors</b>				
2	Ms. Anita Kapur	3,000,000 <sup>a</sup>	Nil	3.42
3	Mr. N Kumar	3,500,000 <sup>a</sup>	Nil	3.99
4	Mr. Sharad Bhansali	2,750,000 <sup>a</sup>	Nil	3.14
5	Ms. Sonu Bhasin	2,750,000 <sup>a</sup>	Nil	3.14
<b>Key Managerial Personnel other than Executive Directors</b>				
6	Mr. Vikas Poddar (Chief Financial Officer)	23,938,706	N.A.	N.A.
7	Ms. Samridhi Rodhe (Company Secretary)	3,819,946	10.63%	N.A.

a. Based on Annualized Remuneration.

b. As per the Policy on Nomination, Remuneration and Board Diversity, the Non-executive directors are not paid any remuneration/ commission w.e.f. November 20, 2020.

c. Remuneration of Mr. Bimal Dayal excludes special payout of ₹ 19,911,944 paid to him during the financial year.

<sup>ss</sup> The value of Performance Linked Incentive (PLI) in remuneration of KMPs (including Executive Directors) represents incentives which will accrue at 100% performance level. For effective comparison, the PLI component for their remuneration for previous year has also been considered at 100% performance level.

<sup>a</sup> In terms of the current remuneration policy, Independent Directors are entitled for profit linked commission of ₹ 2,500,000 per annum. Chairman of the Board is entitled for an additional commission of ₹ 1,000,000 per annum, Chairperson of Audit & Risk Management Committee is entitled for an additional commission of ₹ 500,000 per annum, Chairperson of HR, Nomination and Remuneration Committee and the CSR Committee are entitled for an additional commission of ₹ 250,000 per annum each and the non-executive non-independent directors are not paid any commission/ remuneration w.e.f. November 20, 2020. The payment of commission is based on attending the Board meeting in which quarterly results are adopted. The Company has not paid any sitting fees for financial year 2021-22.

# Annexure G

## Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Indus Towers Limited (formerly Bharti Infratel Limited) has always remained pioneer in adopting energy conservation and environment-friendly technologies.

Tenets of creation of our organization in 2006 were based on conservation and effective utilization of resources. The unique business model on which our organization is built allows the operators to lower their operational expenses significantly, by exploiting the best of our networks with the co-location model. This unique proposition serves a host of purposes including a considerable reduction in energy cost per co-location, faster rollouts, and lowers emissions.

Based on the said tenets of energy conservation combined with our constant efforts on ground we are proud that not only have we been able to create new benchmarks in energy conservation but also we have been able to establish a total of 78,667 green sites pan India.

Our constant pervasiveness towards greener organization enhances our acceptability across the geography and helps us to emphasize on the feeling that “Towers are Good”.

With a mission to transform lives through sustainable digital infrastructure and services, we are globally known for our – highest uptime, cost and energy efficiencies, speed and quality of deployment and environment friendliness. Our strategy and actions are planned such that we objectively fulfil our vision of becoming a green company.

### A. Conservation of Energy

**(i) During the year under review, several steps were taken for conservation of energy and improving energy efficiency, some of which are listed below:**

We at Indus Towers are always committed towards creating new benchmarks for uptimes at lowest energy costs. The commitment ensures delighted customers as well as other stakeholders including local community. To support our vision, we continued our journey of increasing our leverage on new range of business engines and centralized reporting platforms which provide single access to entire site details as well as ready to use energy and other infra health analysis reports thus helping in reduction of energy costs,

improvement in infra utilization levels and in turn lowering our carbon footprint.

In our constant endeavour to reduce diesel consumption, we have undertaken various projects like “Harit Sanchar” whereby mobile batteries were used to replace DG’s at site, the said project led to reduction in diesel as well as emissions on the site.

To ensure effective utilization of resources on ground, we further rolled out innovative Golden Cell Project (which required addition of One cell to the entire battery bank), the said initiative helped in enhancing the voltage available for disposition thus leading to enhanced battery backup and reduced diesel costs. financial year 21-22 saw extension of our landmark “ECO Site Initiative” and “Feather Site Initiative” whereby we and operator came together to create DG free sites (from Day 1) whereby sites were created which were powered only using Discom supplied electricity and battery backup. This concept of creating leaner permanent green sites devoid of any DG support marks a new beginning in the Green Telecom Sector. At Indus, we believe that apart from electrification, batteries act as major catalyst for reduction of energy cost/emissions as it supports reduction of DG run hour in absence of state electricity on site. Hence, it remains our core focus area. This year, we continued to add new solutions to our battery solution basket which has expanded to VRLA, Advanced VRLA, T-GEL, Lithium ion, Lithium ion + VRLA combo, HTC batteries which effectively covers all commercially viable storage solutions available in our ecosystem.

In our constant endeavour towards enhancing our solutions on the ground, we have started to introduce soft switch over technology along with gamut of battery solutions. The said technology helps us in enhancing effectiveness of battery thus providing better performances on the ground.

Our focus on “Moving out of Airconditioner” remains unruffled. We have been constantly marching in our journey and been able to convert 85% of our sites to Outdoor, which has not only resulted in reducing energy costs but emissions as well from the site. In line with our journey we have introduced Dual Turbine Unit for Reinforced Cement Concrete structures, large sized micro cooling with HEX based solution, apart

from already designed solution gamut including solar based natural free cooling units, large sized micro cooling cabinets, HEX based micro cooling units Free Cooling Unit (FCU), Natural Cooling Unit (NCU) and Dual Turbine Unit. As a next level, we intend to create more concentrated cooling solutions with an intention to create solutions for specific equipment thus removing the need for providing inefficient cooling to all equipment present on the floor.

To improve upon existing cooling solutions, we have continued to use high efficiency aircon for reducing energy consumption at critical sites where air conditioners are still mandatorily required for the upkeep of operator equipment. Precision aircon to continue to be rolled out for higher loads with ultra-sensitive cooling requirement, the said precision aircon are known for their effective cooling at high energy efficiency.

Energy Efficiency has also been steadily rising in our systems with introduction of high efficiency rectifier module and power system into our folds which is resulting in reduction in energy consumption and in turn costs.

To further improve energy efficiency, low-cost intelligent solutions have been developed and are replacing ageing Power Interface Unit based power system. It ensures life extension of PIU related infrastructure as well as reduction in energy losses happening owing to old and aged PIU.

To ensure that energy solutions remain cost effective, we also rejuvenate batteries which extends life of existing battery banks thereby delivering energy savings at lower costs.

Our multipronged strategy for reducing consumption and losses along with operational efforts have yielded big results and have helped in reduction of diesel consumption by a great margin.

**(ii) The following initiatives have been undertaken by the Company to utilise alternate source of energy:**

Alternate energy utilization has always remained a focal point of the organization. For ensuring the same, we constantly scan for conventional or non-conventional energy sources, whereby all aspects such as technical, commercial proposition and scalability are thoroughly tested and validated. These are evaluated technically, commercially in terms of deployment and scalability. Different solutions for alternate energy such as solar, wind, hydrogen-based fuel-cell, bio-mass, Gas gensets have been tested and feasible solutions among these have been adopted.

Our constant endeavour towards enhancing alternate energy utilization in our network, has resulted in deployment of largest solar footprint in telecom industry leading to reduction in carbon emission. To further enhance our reach, we have developed complete solar solution ensemble comprising of solutions based on charge controller, solar inverters and combination of solar inverter and charge controller. We intend to continue deploying alternatives sources basis site feasibility analysis.

Our unique powering site through RESCO model allows us to support local community by ensuring that RESCO organization powering our sites also provides green energy to deprived local community. Our such efforts have got us lot of recognition.

As a part of our endeavour on collaborating with operator, we are evaluating solarization of Non-EB sites in Leh and Ladakh, the solar capital of India. Once installed, the said solution will help in reducing diesel consumption at site as well as support in overcoming difficulties involved in transporting diesel and related ancillary to the difficult terrain sites of Leh and Ladakh. As an outcome, we expect reduction in cost as well as improvement in uptime, thereby bringing delight to customer as well as community as a whole.

In our efforts toward replacing Diesel Gensets, we have also started to deploy gas gensets on the site thus enabling utilization of natural gas which is cleaner and cheaper source of energy.

In line with our future readiness, we have completed trials for methanol-based fuel cell. Methanol based fuel cell works on hydrogen as fuel and provides clean energy thereby 'The Solution' is now in ready to deploy state.

**(iii) Future plan of action**

In line with our vision of 'Shut DG' project, we intend to continue our journey towards moving out of DG's by enhancing usage of newer technologies like mobile batteries, battery switchover technologies, enhancing the reach of gas genset etc.

As a committed movement towards energy cost optimization at Indus, we plan to remain focused on increasing EB availability, improving efficiency, reducing load, deploying high end batteries, enhancing adoption of renewable energy sources and driving operational efficiencies.

We would like year 2022-23, to be marked as a year of excellence where we maximize the utilization of energy



innovation transpired till date thus enabling greener and brighter tomorrow.

To improve on utilization of renewables and increasing our contribution towards society, we continue to focus our synergies for maximization of RESCO model in more states, thus ensuring a reliable clean power to ourselves as well as doing our bit for the betterment of community. We are also evaluating proposition for putting up Solar group net metering installation in Delhi, once executed the said solution would be one of its own kind bringing in emission reductions as well as lowering the energy costs.

Our efforts towards Shutting DG's or Zero Emission Network project would continue to remain in focus, we also intend to enhance our joint efforts with Operators for quicker adoption of low power consuming devices, maximizing conversion of indoor to outdoor sites and putting up Non DG sites.

**(iv) The Capital investment on energy conservation equipments**

₹ Millions			
S. No.	Capex on Energy Conservation	Consolidated	Standalone
1	During financial year 2021-22	703	703
2	Cumulative as on March 31, 2022	9,015	9,015

**B. TECHNOLOGY ABSORPTION**

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services. However, this section is not applicable to the Company.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans;

Indus Towers Limited (formerly Bharti Infratel Limited), being a telecom tower infrastructure service provider, has not undertaken any activity relating to exports or development of export markets for services.

- (ii) Total foreign exchange used and earned
- (a) Total Foreign Exchange Earning: Nil
- (b) Total Foreign Exchange Outgo: Nil

**For Indus Towers Limited (formerly Bharti Infratel Limited)**

Date: May 5, 2022  
Place: Gurugram

**N Kumar**  
Chairman  
DIN: 00007848

**Bimal Dayal**  
Managing Director & CEO  
DIN: 08927887

# Management Discussion & Analysis

## India Telecom Industry Overview

The Indian telecom market is the second largest in the world in terms of the number of subscribers with a wireless subscriber base of 1.14 billion (as of March 31, 2022).

Wireless broadband base now stands at 761.05 million, representing a wireless broadband penetration of ~67%, compared to 64% last year. (Source: TRAI). The active subscriber base was at 1.02 billion with the share of active users at 89.4%, compared to 84.2% last year.

In the past few years, several factors have led to strong growth in subscribers and wireless data volumes in India. The development of ecosystem through affordable tariffs, rapid digitization of services aided by Government initiatives and regulatory developments, increased network capacity and coverage, and proliferation of low-cost smartphones among others enabled a faster adoption of telecommunication services. The demographic profile of India with a relatively younger population is the primary driver of rising demand for these services. Customers are embracing the technology and prioritizing digital avenues over traditional modes to fulfill their every need. These lifestyle changes are leading to the need for creation of a holistic online ecosystem to service customers, which is further aiding the growth in the enabling infrastructure system. The increasing demand and India having one of the lowest tariffs globally outlines the potential for significant growth in TSP's ARPUs in the future.

The Nokia India MBiT Index Report 2022 highlights the constant increase in data traffic over the past few years. Data traffic in India remains amongst the highest in the world and has grown at a CAGR of 53% in mobile broadband over 2017-21. The average monthly data traffic per user has also grown at a CAGR of 31% in the last 5 years to ~17 GB per user in December 2021. The momentum continued in 2021 as overall data traffic grew by 31% year-on-year and average monthly data traffic per user grew by 27%. The growth is underpinned by the continued migration from 2G/3G to 4G, given 40 Million 4G data users added/upgraded in 2021. The growth was further aided by increase in number of businesses adopting a work from home model, proliferation of online modes of education and higher over-the-top (OTT) viewership. The growth was also reflected in the shipment of

devices as 2021 saw the highest ever shipment of more than 160 Million smartphones in India.

In addition to the migration to 4G, the upcoming rollout of 5G services and increasingly affordable smartphones are expected to help maintain the growth momentum in wireless services. The low teledensity of 58.1% in rural compared to 84.9% pan-India as of March 2022 implies the significant headroom for growth in rural areas. Another potentially underpenetrated segment is the non-wireless broadband segment. As of March 2022, the share of non-wireless broadband subscribers was just 3% of total broadband subscribers' base. (Source: TRAI)



**“Average monthly data traffic per user grew at a 5 year CAGR of 31% to 17 GB in December 2021”**

## India Telecom Infrastructure Industry Overview

The Indian Telecom Infrastructure industry includes IP-1 registration holders that establish and maintain assets such as towers, Right of Way (ROW), duct space and dark fiber for the purpose to grant on lease/rent/sale basis to the Licensees of Telecom Services under Section 4 of the Indian Telegraph Act, 1885.

**“Pan India telecom towers more than quadrupled to ~700,000 since 2010”**

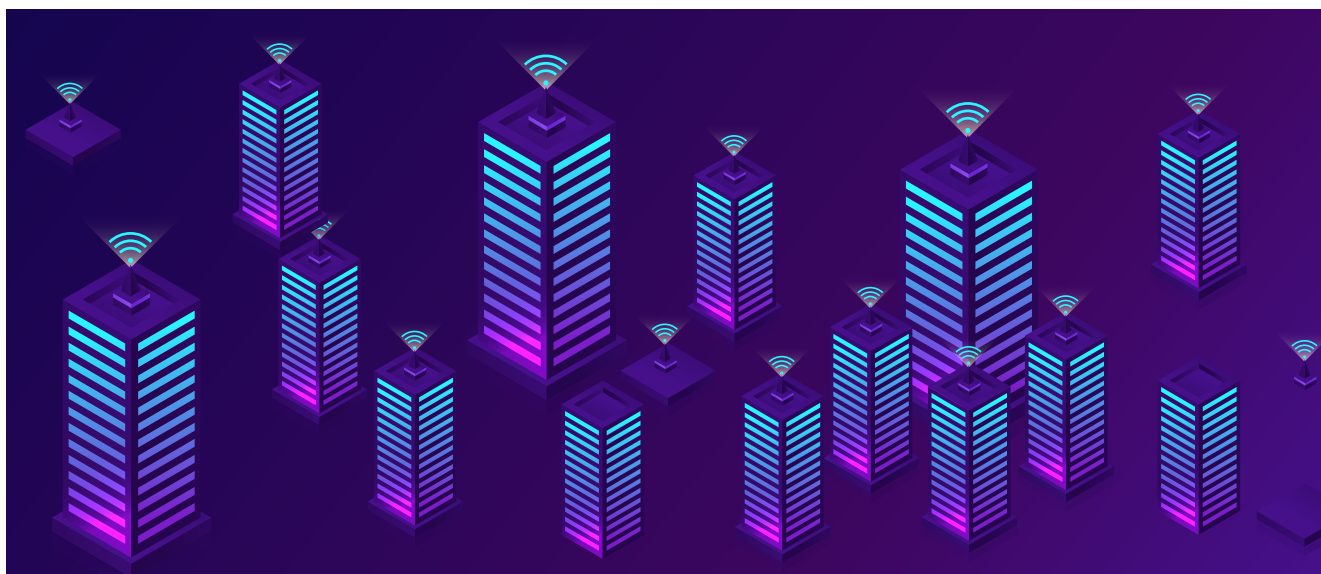
IP-1 players have been the backbone for the rapid propagation of wireless services in the country over a decade. All the necessary infrastructure was created to support the evolution of technology from 2G to 4G. This trend is expected to continue in the future with the impending 5G rollout.

By providing shared infrastructure to TSPs, IP-1 players ensure opex and capex efficiencies, faster time-to-market and avoids any duplication across the value chain which would otherwise lead to wastage of resources. India has been at the helm of passive infrastructure sharing, a model that has been emulated globally. Since 2010, number of towers has more than quadrupled to reach almost 700,000 towers at present providing ubiquitous quality services to 1.17 Billion consumers.

The second wave of COVID-19 in the beginning of the financial year saw India's telecom sector re-emerge as the backbone of

the digital infrastructure of the country. The telecom infrastructure industry played a critical role in keeping consumers and businesses connected in these testing times. Shift in customer behavior during the pandemic has only accelerated the journey towards digitization, and a resilient telecom network was pivotal in this transition.

The growth in data and proliferation of 5G are expected to provide lot of new opportunities to tower companies. Network densification is expected to usher in demand for leaner structures like small cells and In-Building Solutions, supplemented by fiber solutions to support the high-speed requirements of 5G. EV charging infrastructure and smart cities are adjacencies and can be explored by the tower companies by running pilot programs. In addition to handling passive infrastructure, maintaining active infrastructure of TSPs is a logical progression for tower companies, given their prior expertise in handling passive infrastructure. This arrangement would be a cost-efficient option for both the tower companies and the TSPs and can be explored further by all stakeholders.





## Industry Structure and Key Developments

**COVID-19 and impact:** The early part of the financial year saw the second wave of the COVID-19 pandemic in India, with the associated lockdowns impacting the people's livelihood and business activities. The telecom industry including tower companies were instrumental in keeping the nation connected in the tough times as businesses and people turned to remote working. Like last year, the lockdown period also saw a surge in data and voice usage across the board, thus minimizing the impact of the pandemic on the sector, compared to other industries. While the site operations were constrained in the first quarter, there was no major impact on the Company's business during the year. The Company reported a strong operational and financial performance for the full year. Please also see note 49 of standalone financial statements for more details.

**Relief Package:** In order to promote healthy competition, drive further investments and support the liquidity needs of the TSPs, the Government announced the relief package and a number of structural and process reforms in September 2021. This should also address the concerns around Indian telecom industry remaining a 3-major player market.

Key features of the package included moratorium of four years on payment of Adjusted Gross Revenue (AGR) and spectrum dues, option to retire the dues and interest amount by way of equity, exclusion of non-telecom revenue from the definition of AGR going forward, removal of spectrum usage charges in future auctions and rationalization of bank guarantee.

Overall, these reforms bode well for the TSPs as these are targeted towards reduction of the financial burden and stress of the operators. In turn, Indus Towers as a network infrastructure provider stands to benefit from these reforms and measures as these are expected to accelerate the network expansion plans of the TSPs with investments in tower infrastructure.

**Tariff Hike:** During November-December 2021, all three major private TSPs raised their tariffs in the range of 20-25% for validity plans. This would help them improve average revenue per user (ARPU) and address the financial distress of the industry thereby enabling investments in network and spectrum especially in view of imminent 5G rollout. Later during the year, both Bharti Airtel and Vodafone Idea indicated that further upward revisions of tariffs can be expected in 2022, which bodes well for the health of the telecom sector as a whole.

**Government's Fiber Commitment:** In March 2022, Minister of State for Communications highlighted that the Department of Telecommunications (DoT) was on track to meet the target of bringing more fiber optic-based networks to more than 6 lakh villages by August 2023. He mentioned that the number of base transceiver stations had increased from 8 lakhs to 23 lakhs since 2014. Fiber is an exciting opportunity in the telecom space. The need for fiber is expected to grow exponentially with the 5G rollout requiring infrastructure capable of handling high data volumes.

**5G Updates:** The past year saw both the regulator TRAI and TSPs working in tandem to make 5G a reality. The Government is preparing for the auction of spectrum and striving for faster development of the infrastructure. TSPs were active in conducting trials, forging partnerships with technology companies and preparing for launch of services.

- a) **Auction** - In view of the potential of 5G technology to offer immense opportunities across sectors by accelerating digital connectivity, the Government of India is taking all necessary steps towards its faster rollout. Ahead of Government's plans to conduct the auction of 5G spectrum in June-July this year, TRAI released its recommendations in April 2022. Indus Towers believes that the recommendations are quite progressive and address the industry requirements. Reduction in the reserve price across bands, easing of payment schedule, ample supply of spectrum etc. are vital recommendations amid the stretched financial situation of the industry. The Company is hopeful of a successful auction which will augur well for a rapid rollout of 5G across the country.
- b) **Use of Street Infrastructure** - In March 2022, TRAI initiated a pilot program to use street infrastructure with a view to speed up the telecom infrastructure expansion process. The trials were initiated at four locations including Kandla Port in Gujarat, Indira Gandhi International (IGI) Airport in Delhi, Bengaluru Metro Rail Corporation and Bhopal City. The use of street furniture will avoid duplication of resources and is also seen as an efficient way to overcome Right-of-Way (RoW) challenges.

**“Reforms were approved by the government to address liquidity needs”**

- c) During the year, the TSPs worked on multiple fronts from preparing for 5G rollout to developing use cases. Key actions are presented below:

**Bharti Airtel:** In conjunction with Ericsson, Bharti Airtel conducted the rural 5G trial in Bhaipur Bramanan village on the outskirts of NCR region. It also pioneered 5G trial in the 700 MHz band in partnership with Nokia. The trial, conducted on the outskirts of Kolkata, underscores 5G's potential to take mobile broadband coverage to remote locations in India. Additionally, it also conducted a cloud gaming pilot on 5G trial network in Manesar, with cloud gaming expected to be one of the biggest use cases for 5G due to high speed and low latency.

**Reliance Jio:** Reliance Jio trialed Voice and Messaging over 5G NR (VoNR) using its indigenous 5G RAN and Core solution. Jio also piloted an Artificial Intelligence multimedia chatbot using its homegrown 5G RAN and Standalone (SA) Core network. It conducted trials of connected drones on its native 5G network, and it expects these drones to enable future use cases across a plethora of sectors and Companies.

**Vodafone Idea:** Vodafone Idea conducted trials of network slicing over 5G SA with Nokia in Gandhinagar. The trial exhibited an improved user experience through higher resolution Virtual Reality content. It also conducted 5G trials on Government allocated 5G spectrum in the cities of Pune (Maharashtra) and Gandhinagar (Gujarat), along with its technology vendors. Additionally, it partnered with Larsen & Toubro for a pilot project to test 5G-based Smart City solutions.

**Bharti Airtel and VIL opted for four-year moratorium on payment of their dues to the Government** Following announcement of the relief package by the Government in September 2021, both Airtel and VIL opted for the 4-year moratorium on payment of AGR and spectrum related dues. The move is expected to significantly ease the cash flow situation of TSPs, which can help them invest in network infrastructure needed in view of the impending 5G rollout.

**VIL opted for conversion of interest dues to Government equity:** In January 2022, VIL opted to convert its interest on spectrum installments and AGR dues to Government equity by exercising the option offered by the Government in the relief package. VIL estimated the net present value (NPV) of the interest at about ₹ 16,000 Crores and offered its equity shares to the Government at par value of ₹ 10/- per share, both subject to final confirmation by the DoT. The conversion will therefore

## 5G gathering momentum with upcoming auctions and ongoing trials

result in dilution to all the existing shareholders of the Company, including the promoters. Following conversion, it is expected that the Government will hold around 35.8% of the total outstanding shares of the Company, and that the promoter shareholders Vodafone Plc and Aditya Birla Group would hold around 28.5% and 17.8% respectively. These shareholding details were estimated by the Company prior to the capital infusion from its promoters in March 2022.

**Vodafone Idea fund raise:** In early March 2022, Vodafone Idea announced its plans to raise a combined ₹ 14,500 crores from its promoters Vodafone Group Plc and Aditya Birla Group, and external investors. By end of March, VIL raised ₹ 4,500 Crores via a preferential allotment at ₹ 13.30 a share to its promoters and related entities. Of this, ₹ 3,375 Crores was infused by Vodafone Plc which it raised as part of the sale of 7.1% stake it held in Indus Towers. The remaining ₹ 1,125 crores was infused by the Aditya Birla Group. VIL has a plan to raise ₹ 10,000 crores through equity or debt, or a mix of both.

**Bharti Airtel rights issue:** In October 2021, Bharti Airtel announced a rights issue of ₹ 21,000 crores. The Company had clearly laid out its plans to utilize this fund to invest in growth opportunities including expansion of its 4G network, roll out of 5G network, more fiberisation and setting-up data centers. These activities will require building large infrastructure presenting a great opportunity to telecom infrastructure providers.

**Satellite Communication Developments:** The year saw an increase in Satellite Communication (Satcom) activity by TSPs with players viewing this as an untapped opportunity for the future. In February 2022, Jio Satellite Communications Ltd (JSCL), Reliance Jio's satellite unit applied to the DoT for global personal mobile communication (GPMC) license, becoming the second TSP after Bharti Airtel to do so. JSCL is expecting Satcom to help improve connectivity services for TSPs in rural or remote areas where mobile broadband connectivity is weak. It may also be open to offering satellite services to customers across the aviation and maritime industries. In the same month, Jio had announced a joint venture with Luxembourg's SES S.A. to offer satellite-based services and it feels that leveraging its technology with SES' will allow it to offer affordable connectivity. Airtel also further strengthened its Satcom presence by forming a joint venture with Hughes to provide satellite broadband services in India.

## Company updates

**Change in shareholding structure:** Vodafone Plc sold 7.1% of its stake in Indus Towers for a total consideration of ~ ₹ 3,831 Crores. Out of this, 4.7% was acquired by Bharti Airtel for a consideration of ₹ 2,388 Crores while the remaining 2.4% was sold to other investors. As a result of these transactions, Vodafone Plc's holding has decreased from 28.1% to 21.0%, and Bharti Airtel's holding has increased from 41.7% to 46.4%. Under the conditions of the deal with Bharti Airtel, Vodafone Plc was required to infuse the amount received from Airtel into Vodafone Idea. This amount then had to be simultaneously remitted by VIL to Indus Towers to clear the receivables due to Indus Towers. The funds were received successfully by Indus Towers in late March 2022.

## Opportunities and Threats

### Opportunities

#### Network densification led by 5G rollout and further penetration of 4G:

Continued migration of 2G/3G users to 4G and the imminent 5G rollout are expected to result in need for network densification and in turn increased infrastructure requirements.

Network densification is expected to usher in the need for leaner structures like small cells to support high-bandwidth applications and the increase in data traffic, thus presenting an opportunity for tower companies given their expertise in RoW and shared infrastructure. Government. As per the EY-DIPA report 2022, outdoor small cell deployment in India is expected to grow from 80,000 - 90,000 in 2020 to 475,000 - 550,000 by 2025.

5G roll out and Internet of things (IoT) proliferation are expected to drive demand for In-Building Solutions (IBS), and tower companies can help build neutral host IBS infrastructure to cater to multiple TSPs, using their capabilities in managing shared infrastructure.

Network densification coupled with faster wireless communication technologies will also necessitate the need for increasing fiber deployment. To support the high bandwidth traffic, a robust backhaul network would be essential. Tower companies are well placed to explore the fiberization opportunity with their experience in managing distributed infrastructure. Tower fiberization is expected to increase from 33% in 2020 to 70% in 2024 (Source: EY DIPA report).

### Business Adjacencies:

Given the expertise in managing a vast infrastructure portfolio, tower companies are well equipped to venture into adjacent service offerings and tap new revenue streams. Globally the tower companies have diversified into adjacent areas such as data centers, EV charging infrastructure, smart cities, surveillance, advertising, distributed antenna system etc.

Given India's focus on reducing pollution by using cleaner fuels and reducing oil imports, the future of Electric Vehicles (EV) segment is promising. Tower companies are capable and competent to provide EV charging infrastructure on existing distributed site locations, with use cases like charging infrastructure of unutilized energy assets (solar, battery).

Building smart cities is another focus area which can be of interest to tower companies. In 2015, the Government announced its aspiration to build 100 smart cities. Tower companies can leverage their knowledge to create and maintain digital infrastructure related to smart cities, in particular to build the communication infrastructure for the city, and in lieu use the RoW and site rights for mounting their own infrastructure.

### Inorganic Growth:

Like the consolidation witnessed among TSPs in the past few years, a similar consolidation is a possibility in the tower industry. With only 3 major TSPs operating in the telecom space, the fundamental objective of sharing the passive infrastructure may not be achieved by having multiple tower companies. There are presently a few players in the tower infrastructure space with relatively much smaller footprints. Indus Towers being the largest player in this space keeps evaluating such potential opportunities for their synergies and value accretion to Indus Towers. All such opportunities will be explored in consultation with the Board of Directors.



## Threats

### Financial Health of operators:

Despite the announcement of relief package by the Government and tariff hikes taken by TSPs, the financial health of TSPs remains a key concern for the sector. Both Vodafone Idea and Bharti Airtel have raised significant amounts in the past few years. Launch of 5G services in near future will further require large investments in the network infrastructure. These developments might have an adverse effect on the financial health of the TSPs, which can affect Indus Towers materially as it may impair their ability to pay for the telecom infrastructure that Indus Towers provides.

### Operator Consolidation:

The past few years have seen the number of TSPs reduce materially from 14 at its peak to 5 in Financial Year 2018-19. The current structure of 3 large private players is considered optimal and any further consolidation could impact the Company's business materially in terms of probable reduction in revenues and profitability. Consolidation of tenancy on sites reduce the sharing of resources and could also result in increased cost for TSPs.

### Increase in competitive intensity:

Any increase in the number of IP-1 players or an increase in the network footprint of the existing players could pose a threat to Indus Towers. Consolidation in the TSP space has resulted in significant loss of tenancies to the tower companies. The companies may use predatory pricing, brand strength etc. to gain market share in the tower infrastructure space, thus impacting the revenues and profitability of Indus Towers. Indus Towers' pan-India network, and expertise and experience in building infrastructure solutions competitively provide it a moat against other players.

### Pricing risk due to renewals:

Any unfavorable terms such as lower pricing or annual escalation upon renewal of leasing agreements with customers are a risk to the Company. The Company is in discussion with its customers on renewal of a sizable contracts which expired by end of March 2022. This could adversely impact the financial performance of the Company.

### EMF Radiation Norms:

EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. World Health Organization (WHO) has referred to the International Exposure Guidelines developed by International Commission on Non-Ionizing Radiation Protection (ICNIRP). Department of Telecommunication (DoT) has already prescribed stricter precautionary limits for Electro Magnetic Field (EMF) radiation from antenna on mobile towers. The present prescribed limits for EMF radiations from Base Station in India are one-tenth (1/10<sup>th</sup>) of internationally prescribed limits of ICNIRP. To ensure compliance to the prescribed stricter precautionary norms of EMF radiation from antennas on mobile towers, the extensive audit of comprehensive compliance self-certificates, submitted by telecom service providers and base transceiver station (BTS) sites, is carried out by Telecom Enforcement Resource & Monitoring (TERM) field units of DoT. This is regularly done by TERM units for the purpose of limiting the EMF radiation exposure and keeping public areas in the vicinity of towers safe. In case of any non-compliance i.e. if any BTS site is found to violate the prescribed EMF norms, severe pecuniary actions are taken including closing of BTS site as per the prescribed procedure. DoT has also referenced on WHO report as well as 25,000 articles in the past 30 years to say that there was no confirmation of "any health consequences from exposure to low level electromagnetic fields." Despite these measures, in the recent past there have been concerns around the radiations and its ill effects due to which securing a site for new tower addition has become difficult in few pockets. If proper information is not disseminated to public, it might affect tower infrastructure business adversely.

## Financial Results & Operations

Company's net tower portfolio grew to 185,447 and net co-locations grew to 335,791 as on March 31, 2022. For the year ended March 31, 2022, the closing sharing factor stood at 1.81 times per tower.

For the quarter ended March 31, 2022, Indus Towers had average sharing factor of 1.80 (with closing sharing factor of 1.81) per tower.

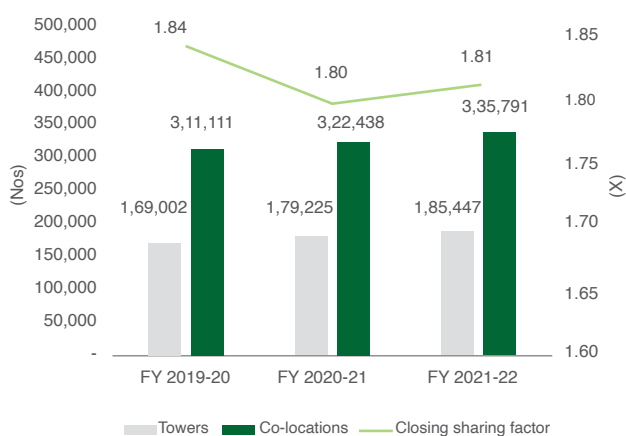
The standalone revenues for the year, at ₹ 277,082 Mn grew by 99% over the corresponding period last year primarily on account of merger.

For the year ending March 31, 2022, EBITDA grew by 106% Y-o-Y to ₹ 149,305 Mn, representing an operating margin of 54%. EBIT grew by 121% Y-o-Y to ₹ 95,680 Mn and the net profit for the year increased by 91% to ₹ 63,671 Mn primarily on account of merger.

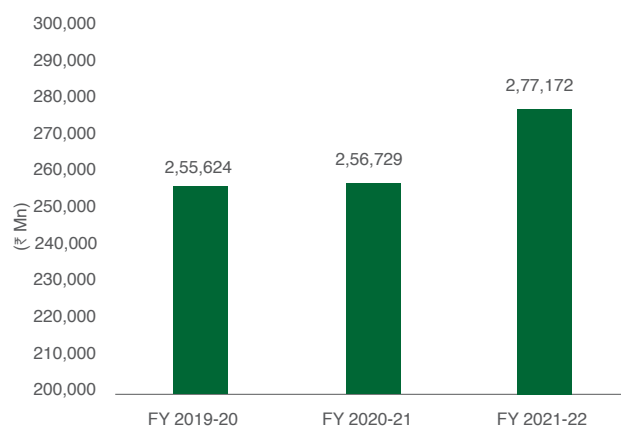
The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Corporate Affairs ('MCA') from time to time.

The results for the previous Financial Year include the results of the erstwhile Indus Towers Limited which merged with and into the Company w.e.f. November 19, 2020 for the period subsequent to that date till the end of the previous Financial Year. Accordingly, the figures for the Financial Year ended March 31, 2022 are not comparable with the figures of the previous Financial Year ended March 31, 2021.

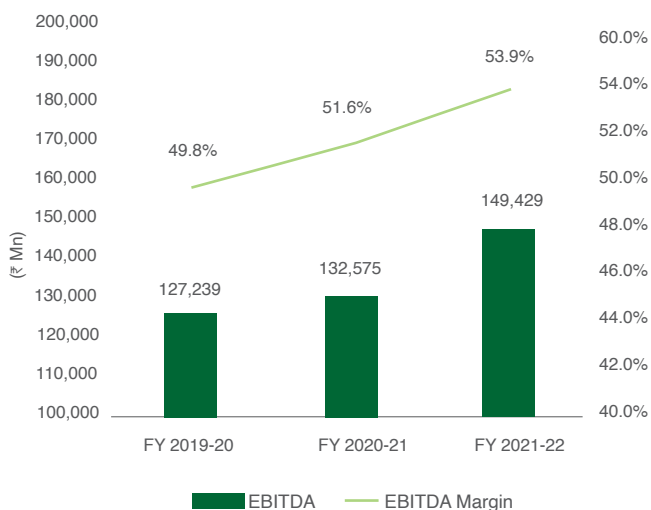
**Towers and Co-locations**



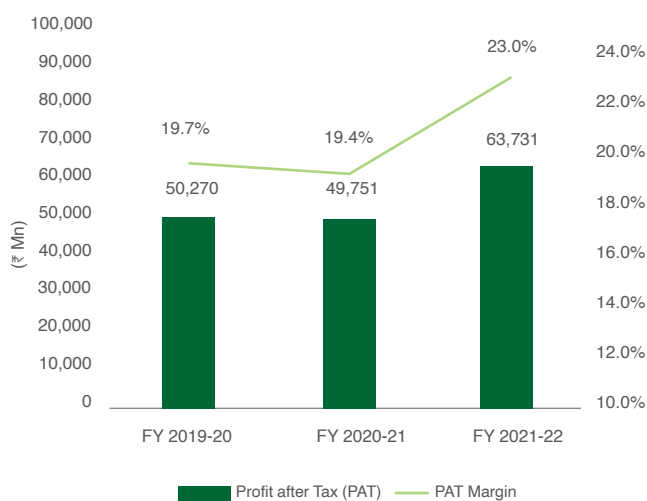
**Revenue**



**EBITDA and EBITDA Margin**



**Profit after Tax (PAT) and PAT Margin**



The following table shows a summary of key ratios on a standalone basis:

Parameters	Unit	Full Year Ended	
		Mar'22	Mar'21
Debtors Turnover <sup>1</sup>	Times	5.09	6.65
Current Ratio <sup>1</sup>	Times	1.40	0.69
Debt Equity Ratio <sup>1</sup>	Times	0.25	0.51
Operating Profit Margin (%)	%	53.9%	52.0%
Net Profit Margin (%) <sup>1</sup>	%	23.0%	20.9%
Interest Coverage Ratio <sup>1&amp;3</sup>	Times	9.98	11.41
Inventory Turnover	NA	NA	NA
Average Sharing Factor	Times	1.80	1.80
Closing Sharing Factor	Times	1.81	1.80
Sharing Revenue per Tower p.m	₹	80,429	66,409
Sharing Revenue per Sharing Operator p.m	₹	44,243	36,303
Return on Shareholder's Equity Pre Tax <sup>1&amp;2</sup>	%	44.29%	32.86%
Return on Shareholder's Equity Post tax <sup>1&amp;2</sup>	%	33.47%	24.62%

1. The aforesaid ratios are not comparable, as during the Financial Year 2021, erstwhile Indus Towers Limited was merged with and into the Company effect from November 19, 2020.
2. Return on shareholder's equity is calculated excluding dividend income
3. Interest coverage ratio: It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by finance cost (net) for the preceding (last) 12 months.

The financial ratios with a change of at least 25% during the year have been explained as below:

- Current ratio increased by 102% in FY22 over FY21, mainly due to increase in trade receivables and decrease in short term borrowings. Delay in payment from a customer resulted in the increase in trade receivables. Repayment of loans led to reduction in short term borrowings.
- Debt-equity ratio reduced by 52% in FY22 over FY21, primarily due to repayment of loans during the year. Increase in total equity on account of increase in retained earnings from the profit generated in FY22 also reduced the debt-equity ratio.
- Return on shareholder's equity pre- and post-tax were higher by 35% and 36% year-on-year. The ratios are not comparable, as during the Financial Year 2020-21, erstwhile Indus Towers Limited merged with and into the Company with effect from November 19, 2020.

## Risks & Concerns

The following section discusses the various aspects of enterprise-wide risk management. Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only.

Indus Towers Limited believes that risk management and internal control are fundamental to effective corporate governance and development of a sustainable business. The Company has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:



### General Economic Conditions in India:

A significant change in the government's policies, commodity pricing and other global and domestic macro factors, could affect business and economic conditions in India. Issues such as tax changes, impact of litigations or new taxes or levies; could lead to significant financial exposure, loss of reputation or disruption of business.



### Emerging risks due to unforeseen disruptions:

The global event in the form of COVID-19 outbreak which extended in the form of second wave in the early days of financial year 2021-22, affected the global economies, Companies financially and operationally apart from affecting the human capital in an unprecedented manner and the impact was much more intense as compared to the first wave. Such unforeseen disruptions to supply chains, productivity, etc. posed a risk to the overall financial health and capital of the Company.



### Natural Disasters Damaging Telecom Networks:

The Company's telecom networks are subject to risks from natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils, and terrorist attacks. Such incidents and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to its customers under most circumstances.



### Financial health of operators:

Our business and growth prospects mainly depend on demand from operators. Deterioration in the financial health of key

operators due to increased competition, adverse regulatory regime, general economic conditions, policy changes etc. could lead to persistent payment defaults and subdued cash flows.



### Technological Changes Affecting the Tower Demand:

With new technologies coming to market and ever-evolving customer requirements, agility is required to develop the right product portfolio and deliver new products profitably.

New technologies can also lead to obsolescence of telecom towers. We don't foresee any risk in the near future and the Company keeps assessing all the new technological advancements in the sector for better understanding and preparedness.



### Emerging risk due to loss of competitive advantage:

There is a possibility of the company losing its competitive advantage as a result of:

- a) Operators building own sites
- b) Aggressive pricing by existing/new tower companies
- c) Loss of market share/ revenue due to partial/non-renewal of tenancies

The Company needs to be agile in responding to such situations in order to protect its business interest.



### Cyber and Data Security:

The Company is required to focus on new or enhanced cyber-security and information security risks to ensure that its interest is protected from sudden cyber-attacks or breach of confidentiality which can impact the business adversely.

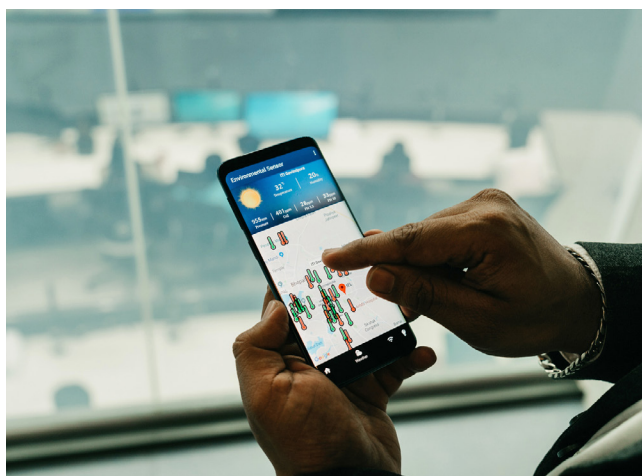


## Internal Control Systems:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company has deployed a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors. The Audit & Risk Management Committee reviews the effectiveness of the internal control system across the Company.

A CEO and CFO Certificate signed by the Managing Director & CEO and Chief Financial Officer, is included in the Corporate Governance Report which confirms the existence of effective internal control systems for financial reporting only. The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit & Risk Management Committee of the Board.

The Company has enhanced its internal control systems across all circle operations by significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of revenue assurance checks, segregation of duties, rolling out of self-validation checks, regular physical verification, system audits, desktop reviews as well as continuous training and education. Indus Towers is certified by The British Standards Institution (BSI) on ISO 27001:2013, a standard which specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system within the context of the organization. It also includes requirements for the assessment and treatment of information security risks tailored to the needs of the organization.



## Human Resources:

At Indus Towers, we believe that our people are key to the success of our business. Indus Towers has set an example for several organizations in India by leading the way and demonstrating how putting people front and center in organizational initiatives can lead to achieving higher levels of business performance.

Its values ExCITE -- Excellence, Customer, Integrity, Teamwork and Environment -- foster a culture of alignment and trust where employees find more fulfilment in their work. Despite disruption in the telecom industry in India, Indus Towers has navigated change through its sound people strategy. It is the commitment and dedication of our employees that enabled us to keep nation remain connected even amidst adversities and the challenges posed by the COVID-19 pandemic. Our human capital has, therefore, played a pivotal role in shaping Indus Towers into what we are today.

It is building a culture where change is seen as an ongoing process for self-growth and progress. Its ninth consecutive Gallup

Exceptional Workplace Award is a testament to its mission, which reiterates our purpose for existence – to transform lives through sustainable Digital Infrastructure and Services which again has been defined post deliberation of our 3000+ employees coming together to decide what should be the Mission & Vision of the company through a process called Large Scale Interactive Process (LSIP). For a young organization like Indus Towers, which operates in the B2B space, defining and percolating an organization wide culture and becoming an employer of choice are two important and interrelated aspects.

During our journey, we have realized that the first step in creating an employer brand is to define and articulate the culture which proves to be a differentiating factor for external and internal employees. Connecting and engaging with 3,248 employees spread across our 22 circles has become possible through our constant communication especially in time of COVID-19 pandemic. Our leadership has always been the first one to communicate with all employees and focus on their well-being is their priority. Throughout the year, the leadership stood by their people in times of crisis valuing their relentless efforts and providing any type of support that was needed. Not only did they prioritise their health and safety, but also implemented methods to ease anxiety and improve productivity during these tough times.

The communication strategy at Indus has been instrumental in keeping morale of the employees high while ensuring their engagement at the same time. At Indus Towers, we believe in



embracing technology and continue to use it to our advantage to make processes simpler and more efficient. We continue to automate our processes, use the systems and technological shifts have made it even more important for people to become 'fit for the future', both as professionals and as individuals. Keeping this in mind, we constantly organize various learning and development initiatives for our employees. Due to the pandemic, new methods of learning have emerged, and our employees continue to adapt with new-age processes. During the year under review, we strengthened our online learning platform- Oracle Learning Cloud (OLC) by conducting e-learning as well as blended learning. We reviewed our existing courses and made improvements as per the changing needs. We conducted a rapid triage of the entire portfolio of learning offerings and set priorities for what will be necessary to adapt to a virtual/blended or digital only format. To ensure employee safety at workplace, every new employee is required to undergo mandatory safety training as well as Competency Development Program (CDP) which introduces them to understand important concepts and their application in the context of their work. As part of our commitment towards holistic development, employees are continuously being encouraged to go for external certifications and MDP programs from elite institutions like ISB, IIMs, etc. At Indus, we focus on building an overall employee experience and engagement & well-being forms the core of it. Our aim is to make our people proud of the work they do at Indus. We not only want them to excel, but we also want them to realize their contribution to the organization and provide them opportunities to learn and grow.

Some of the key initiatives undertaken during the year included:

- Volunteering programs organized under Personal Social Responsibility (PSR) was organized involving more than 1100 volunteers impacting over 9000 beneficiaries. Joy of Giving Week Celebrated- 793 employees participated in activities such as recycling drive, plantation drive, book donation drive, food distribution, clothes donation, visit to old age home etc.
- Conducted financial wellness programs that were designed to help employees manage their finances better Programs were conducted on a regular basis to help employees manage health and stress in work and personal environment focusing on the overall physical and mental wellbeing. Inhouse Doctor and Advisor was onboarded to provide medical consultation. COVID-19 vaccination camps and drives were organized Pan India
- Social and emotional wellbeing formed an essential part of our wellbeing programs- Launch of Digital Reward & Recognition Platform called i-appreciate to appreciate and recognize employees on the go. Regular field connect with employees, virtual/hybrid engagement initiatives were conducted to keep the connect stronger

Diversity and Inclusion is at the heart of Indus, over the years we have been constantly working on strengthening our policies and processes to provide a safe, equal and inclusive work

environment for all. We have been successful in onboarding diverse talent not only for office-based roles but also in the field. While being an engineering and hardcore technical organization, where availability of diverse talent is limited, share of women in our total employee population is 5.8% and we are determined to improve this year on year.

Continuing our efforts to ensure a conducive and safe environment for women employees, we have a mandatory training on POSH added to our online learning module, which needs to be completed by all employees within a month of joining. We also have a neutral Internal Complaints Committee which investigates and takes appropriate action on any concerns related to harassment raised by employees. Apart from this, many engagement initiatives are planned and calendarized for D&I. Talks by Women Leaders were held for I-WIN network, which is a Pan Indus women's network focused on networking, learning and growing. We celebrated International Women's Day with excitement and our women employees who play a transformative role spoke about their experience at Indus that resounded our commitment to create a gender inclusive culture across the telecom infrastructure space. We celebrated the #ToweringWomenofIndus who take it upon themselves to lead purposefully and "Break the Bias".

### Company Outlook:

During FY 2022, the Government had taken progressive steps to encourage the proliferation of 5G services in the country. TRAI had released its recommendations on the auction of 5G spectrum addressing the industry requirements towards reserve price and payment schedule. The TSPs have also been taking steps to facilitate the uptake of 5G, by exploring relevant use cases on the trial spectrum allotted to them. The positive developments will lay the foundation for a rapid roll out of 5G services in the country.

Additionally, users continue to migrate from 2G/3G to 4G and there is a significant network gap between the leading operator and other players. The momentum seen in data growth is expected to continue on account of technology upgradation and its improved availability. All these factors are expected to spawn the demand for network densification, and in turn increased infrastructure requirements. We believe that we are well placed to cater to this demand, and to this end we have already commenced work with our customer to make our infrastructure 5G-ready. Adjacent opportunities created by 5G such as In-Building Solutions (IBS) and Fiberization are areas of interest to us, which should see good pick-up in industry wide demand.

# Report on Corporate Governance

***Good corporate governance, it is about being proper and prosper.***

## Governance Philosophy

Our Corporate Governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Integrity and transparency are key to our Corporate Governance practices and performance and we ensure that we gain and retain the trust of stakeholders at all times. Our guiding principles and practices are summarized in this Corporate Governance Report. These are articulated through the Company's Code of Conduct, charters of various committees of the Board and Company's disclosure policies. These policies seek to focus on enhancement of long-term stakeholders' value without compromising on Ethical Standards and Corporate Social Responsibilities. We consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, other material events as well as the leadership and governance of the Company.

The Board of Directors of the Company ('Board') is at the core of our Corporate Governance practice and oversees and ensures that the management serves and protects the long-term interests of all our stakeholders.

We believe in adopting the well accepted Corporate Governance practices, benchmark the same to the best governed companies and strive to improve them continuously. Our Corporate Governance philosophy and practices are based on the following principles:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decision on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High level of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Formation of various committees like Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Environmental Social and Governance Committee to oversee specific areas and focus on diverse matters;

- Ensuring complete and timely disclosure of relevant operational information to enable the Board to play an effective role in guiding strategy;
- Meeting of Independent Directors without the presence of any Non-Independent Directors or representative of Management to identify areas where they need more clarity or information and put them before the Board;
- Regularly reviewing and establishing effective meeting practices that encourage active participation and contribution of all the Board members;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of the affairs of the Company at all times;
- Providing the Board members an unrestricted access to all Company-related information.

## Governance Structure

Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. The Corporate Governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

- a) Strategic supervision and direction – At the apex level are the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgment in overseeing management's performance on behalf of the shareholders and other stakeholders and hence, play a vital role in the oversight and management of the Company;
- b) Control and implementation – by the Company's Management Committee, chaired by the Managing Director & Chief Executive Officer. The MD & CEO is responsible for executing corporate strategy in consultation with the Board, brand equity, planning, external contacts and overall business performance and management of the Company. He is supported by the Management Committee. This team owns and drives company-wide processes, systems and policies and meets regularly to review execution of business strategy and ensures that operational synergies are achieved. This team also functions as a role model for leadership development and as a



catalyst for imbibing customer centricity and meritocracy in the culture of the Company;

- c) Operations management – The Company's operations run in all 22 Circles in India, each headed by the Circle Business Heads and supported by the Circle Management Committee, for day-to-day management and decision making, focus on enhancing the efficiency and effectiveness of the circle business indicators; and
- d) Risk Management Steering Committee – which monitors the effectiveness of the risk management policy and reviews the progress on the risk mitigation steps being taken by the Company.

Our governance structure helps in clearly determining the responsibilities and entrusted powers of the management team, thus enabling them to execute those responsibilities in the most effective manner. It also allows us to maintain our focus on the organizational DNA and current and future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

## Board of Directors

### Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. The Board conforms to the provisions of the Companies Act, 2013, Listing Regulations, terms of shareholders' agreement and other statutory provisions. As on March 31, 2022, the Board comprised 12 members with a Non-Executive Independent Chairman, a Managing Director & Chief Executive Officer, besides 7 Non-Executive

Non-Independent Directors and 3 Non-Executive Independent Directors, of which two are women directors. An independent director is the chairperson of each of the Board committees – namely Audit & Risk Management Committee, HR, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Environmental Social and Governance Committee and Stakeholders' Relationship Committee.

Detailed profile of each of the Directors is available on the website of the Company at <https://www.industowers.com/investor/corporategovernance/>.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

### Board Diversity and Structure

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience, cultural and geographical background which will help us retain our competitive advantage. The Board has adopted a Policy which sets out the approach to diversity of the Board of Directors.

Company's Board represents a confluence of experience and expertise across diverse areas, ranging from finance, telecommunication, technology, general management, administrative services and consulting. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The Board, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

### Board and Committees constitution (as on March 31, 2022) :

	<b>Audit &amp; Risk Management Committee</b> <b>INDEPENDENT CHAIRPERSON</b> 4 Independent Directors 2 Non-Independent Directors	<b>Corporate Social Responsibility (CSR) Committee</b> <b>INDEPENDENT CHAIRPERSON</b> 2 Independent Directors 2 Non-Independent Directors
<b>Board of Directors</b> <b>INDEPENDENT CHAIRMAN</b> 4 Independent Directors 8 Non-Independent Directors	<b>HR, Nomination and Remuneration Committee</b> <b>INDEPENDENT CHAIRMAN</b> 4 Independent Directors 2 Non-Independent Directors	<b>Environmental, Social and Governance (ESG) Committee</b> <b>INDEPENDENT CHAIRPERSON</b> 1 Independent Director 3 Non-Independent Directors
	<b>Stakeholders' Relationship Committee</b> <b>INDEPENDENT CHAIRPERSON</b> 2 Independent Directors 2 Non-Independent Directors	<b>Special Committee of Directors</b> <b>INDEPENDENT CHAIRMAN</b> 1 Independent Director 3 Non-Independent Directors

**Skill Matrix of the Board**

The Board has identified the following skills/ expertise/ competencies fundamental for effective functioning of the Company which the Board of the Company possess:

**Area**

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Strategic Planning and Leadership Skills

**Particulars**

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Ability to think strategically and to identify and critically assess opportunities and threats and develop effective strategies in the context of objectives of the Company’s relevant policies and priorities.

Appreciation of long-term trends, understanding diverse business environment, regulatory framework, economic and political conditions, strategic choices and experience in guiding and leading management teams

**Area**

---



Financial and Risk Management

**Particulars**


---

Wide-ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control.

Identification of key risks to the Company and monitoring the effectiveness of the risk management framework and practices

**Area**

---



Governance

**Particulars**

---

Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholders’ engagements, and commitment to highest standards of corporate ethics and values

**Area**

---



HR, Health, safety, environment and sustainability

**Particulars**

---

Know-how of working on talent management and development, environment, health, safety, sustainability and corporate social responsibility activities directly or as a part of operational responsibility for long-term value creation

**Area**

---



Industry and sector experience or knowledge

**Particulars**

---

Knowledge and experience in telecom sector to provide strategic guidance to the management

**Area**

---



Technology and digital expertise

**Particulars**

---

Background in technology, resulting in knowledge of anticipating technological trends, generating disruptive innovation and extending or creating new business models

While all the Board members broadly possess the identified skills, their domain of core expertise is given below:

Board members	Skills / Expertise / Competencies Area					
	Strategic Planning and Leadership Skills	Financial and Risk Management	Governance	HR, Health, safety, environment and sustainability	Industry and sector experience or knowledge	Technology and digital expertise
Mr. N Kumar						
Ms. Anita Kapur						
Mr. Bimal Dayal						
Mr. Balesh Sharma						
Mr. Gopal Vittal						
Mr. Rajan Bharti Mittal						
Mr. Harjeet Singh Kohli						
Mr. Randeep Singh Sekhon						
Mr. Ravinder Takkar						
Ms. Sonu Bhasin						
Mr. Sharad Bhansali						
Mr. Thomas Reisten						

### Board Membership Criteria and Selection Process

As per the Company's Policy on Nomination, Remuneration and Board Diversity, selection of a new Board member(s) is the responsibility of the HR, Nomination and Remuneration Committee. The HR, Nomination and Remuneration Committee has set forth a robust process for selection of new directors ensuring the best interests of the Company & its shareholders.

The Committee is responsible for identifying and evaluating a suitable candidate for appointment as director (executive, non-executive including independent) on the Board. While selecting a candidate, the Committee considers various criterias w.r.t. knowledge, skills, professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, gender, race, ethnicity, age, experience and understanding of industry, marketing, technology, finance and other disciplines relevant to the business.

The Committee also considers other factors, relevant and applicable from time to time towards achieving a diverse Board. The Committee, based on evaluation of aforesaid criteria, makes recommendations to the Board. The Board, on recommendation of the Committee, recommends the appointment to the members of the Company, wherever applicable, for their approval

### Independent Directors

The Company has laid down the terms and conditions of the appointment of Independent Directors stipulating their roles, responsibilities and duties which are consistent with the provisions of the Listing Regulations, Section 149 and Schedule IV of the Companies Act, 2013. The said terms and conditions set out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. It emphasises the importance of independence.

The Company has issued letter of appointment to all the Independent Directors and terms and conditions of their appointment have been disclosed on the website of the Company at <https://www.industowers.com/wp-content/themes/indus/pdf/Terms-Conditions-of-Appointment-of-Independent-Directors%20-Draft-Appointment-Letter-.pdf>.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013, the rules made thereunder and the Listing Regulations and are independent of the management.

### Lead Independent Director

The Company, since a long time, has followed the practice of appointing a Lead Independent Director. Mr. Narayanan Kumar, Chairman of the Board, is the Lead Independent Director. His roles and responsibilities as the lead independent director, inter alia, are to:

- preside over all the meetings of Independent Directors;
- ensure that there is adequate and timely flow of information between the management and the Board;
- provide objective and constructive feedback of the Independent Directors as a group to the Board on various matters including agenda and other matters relating to the Company;
- Perform such other roles as may be requested from time to time by the Board/ Independent Directors.

### Meetings of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of Non-Independent Directors or representatives of the management. They meet to discuss and form an independent opinion on the agenda items and various other Board-related matters and identify where they need clarity or information from the management. They annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company, taking into account the views of Executive



Directors and Non- Executive Directors and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors also meet with the Statutory as well as Internal Auditors from time to time, in the aforesaid meeting, to discuss internal audit effectiveness, control environment and invite their general feedback. The Lead Independent Director updates the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During the financial year 2021-22, the Independent Directors met five times on April 22, 2021; July 29, 2021; October 25, 2021; January 27, 2022; and February 21, 2022.

### **Familiarization Programme for Board Members**

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining to provide them with an opportunity to familiarize themselves with the Company, its management, its operations, and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and includes site visits to understand the operations and technology. Apart from the induction program, the Company periodically presents update at the Board/Committee meetings to familiarize the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources, and other related matters.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. is also given to the Directors. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

Business updates on relevant changes and regulatory updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

The details of such familiarization programs are disclosed on the website of the Company at <https://www.industowers.com/wp-content/themes/indus/pdf/Familiarization-Programme.pdf>.

### **Board Evaluation**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the

HR, Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

In compliance with the provisions of the Act and the Listing Regulations, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and Managing Director & CEO.

The process provides that the performance evaluation shall be carried out on an annual basis. For the year, the Directors completed the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and MD & CEO. The evaluation process was facilitated by an independent leading consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors including the Independent Directors, was evaluated on parameters such as standards of ethics and integrity, participation and contribution, responsibility towards stakeholders and independent judgement.

The Chairman and Managing Director & CEO were evaluated on certain additional parameters such as performance of the Company, leadership, relationships and communications.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Fulfillment of independence criteria as specified in the listing regulations and is independent from the management and act in the best interests of all the stakeholders.
- Bring external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation survey and review was carried out through a peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the meetings of Independent Directors, respective Committees and in the Board Meeting held on May 5, 2022. The Board reviewed the performance of the Board, Board committees, individual directors, Chairperson, Managing Director & CEO

and reviewed the suggestions / inputs of Independent Directors, HR, Nomination and Remuneration Committee and respective Committee's Chairperson. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

### Succession planning

The Company has adopted a policy for succession planning for the Board and Senior Management. The Board of Directors and HR, Nomination and Remuneration Committee are entrusted with overseeing and monitoring the succession planning framework of the Company in the following manner:

**Board:** We have a process for succession planning which focuses on orderly succession of Directors, including Executive Directors, senior management team and other executive officers. The responsibility of a robust succession planning lies with the HR, Nomination and Remuneration Committee of the Company and the Committee implements this process in concurrence with the Board. The Board and Committee deliberate on various factors including identification of role, outcome of performance evaluation, skill matrix, Board diversity, competencies and attributes, time-commitment, statutory requirements etc.

Further, the individual directors are evaluated annually. The re-appointment/ extension of term of any member of the Board is based on their performance evaluation report and in accordance with the Articles of Association of the Company, applicable provisions of the Act, Listing Regulations, and other laws applicable to the Company.

**Senior Management Personnel:** The Committee periodically reviews and considers the list of Senior Management Personnel due for retirement or resignation within the year. The Committee also considers new vacancies that may arise because of business needs or upgradation of department(s). Accordingly, the Committee assesses the availability of suitable candidates for the Company's future growth and development.

The vacancy or fresh appointments of Senior Management Personnel is in line with the internal policy(ies) adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

The Company has internal policies for identifying and developing an internal pool of talent for future leadership roles.

The Committee may recommend to the Board the appointment of suitable external candidate(s) as special recruitment at the senior management level based on job roles and competencies in order to provide a continuous flow of talented people to meet the organizational needs.

The Managing Director & CEO and the Chief Human Resource Officer may also, from time to time, identify and recommend high-potential employees who merit faster career progression and formulate, administer, monitor and review the process of skill development and identify training requirements in respect of such employees.

### Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, are fixed in advance for the entire year. The Board Calendar for the financial year 2022-23 has been uploaded on the Company's website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. Additional Board meetings are called, in case of necessity.

The Audit & Risk Management Committee, Corporate Social Responsibility Committee, HR, Nomination and Remuneration Committee and Stakeholders' Relationship Committee meetings are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairperson of the respective Committee briefs the Board about the proceedings of the respective Committee meetings.

The Company Secretary, in consultation with the Chairperson, prepares Board and Committee meetings' agendas. The detailed agenda along with explanatory notes and annexures, as applicable, are sent to the Board and Committee members at least a week before the meeting except for meetings called at a shorter notice. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item' with the permission of the Chairperson and consent of all Board members/ Committee members. Sensitive subject matters are discussed at the meeting without written material being circulated in advance. Every Board member can suggest the inclusion of additional items in the agenda.

The Board members are rigorously prepared for the meetings and they actively participate in all the meetings. The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, Corporate strategy and risk management issues based on the markets it operates in and in light of industry trends and developments to help achieve its strategic goals.

CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

### Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates thereon;
- Quarterly and annual consolidated and standalone results & financial statements of the Company;
- Minutes of meetings of the Board and Board Committees, resolutions passed through circulation and Board minutes of the unlisted subsidiary company;
- Information on recruitment or remuneration of senior officers one level below CEO including KMPs;
- Material important show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Human resource updates and strategies;
- Quarterly treasury reports;
- Quarterly compliance certificates with the 'Exceptions Reports', if any, which includes non-compliance of any regulatory or statutory nature or listing requirements and shareholders' service;
- Disclosures and declarations received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions including an independent report on arms' length pricing;
- Regular business updates;
- Update on Corporate Social Responsibility activities;
- Report on action taken on last Board meeting decisions;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

**Number of Board Meetings**

During the financial year 2021-22, the Board met 5 times i.e. on April 22, 2021; July 29, 2021; October 25, 2021; January 27, 2022; and February 21, 2022. The Board approved 6 resolutions by circulation during financial year 2021-22 and the text of the resolutions approved were presented in the next meeting for noting.

Requisite information, as per the requirements of Regulation 17 of the Listing Regulations is provided below:

Name of Director (DIN)	Category	Number of other directorships <sup>1</sup>	Name of listed entity where person is director along with category of directorship <sup>1</sup>	Number of committee memberships and chairmanships <sup>2</sup>		No. of Meetings held during his/ her tenure and attended		Whether attended last AGM
				Chairman	Member	Held	Attended	
<b>Board composition as on March 31, 2022</b>								
Mr. N Kumar (DIN- 00007848)	Chairman- Independent Director	11	1) Take Solutions Limited – Independent Director  2) Entertainment Network (India) Limited – Independent Director  3) Larsen and Toubro Limited – Independent Director  4) L&T Technology Services Limited – Independent Director  5) Mphasis Limited – Independent Director	3	3	5	5	Yes
Ms. Anita Kapur (DIN-07902012)	Independent Director	2	Shriram Properties Limited – Independent Director	Nil	2	5	5	Yes
Mr. Balesh Sharma (DIN-07783637)	Non-Executive Director	Nil	Nil	Nil	Nil	5	4	No
Mr. Bimal Dayal (DIN- 08927887)	Managing Director & CEO	1	Nil	Nil	Nil	5	5	Yes
Mr. Gopal Vittal (DIN- 02291778)	Non-Executive Director	3	Bharti Airtel Limited- MD & CEO	Nil	1	5	5	No
Mr. Harjeet Kohli (DIN- 07575784)	Non-Executive Director	9	Nil	1	1	5	5	No
Mr. Rajan Bharti Mittal (DIN-00028016)	Non-Executive Director	15	Nil	2	1	5	5	No
Mr. Randeep Singh Sekhon (DIN-08306391)	Non-Executive Director	1	Nil	Nil	Nil	5	4	No
Mr. Ravinder Takkar (DIN- 01719511)	Non-Executive Director	2	Vodafone Idea Limited- MD & CEO	Nil	1	5	5	Yes



Name of Director (DIN)	Category	Number of other directorships <sup>1</sup>	Name of listed entity where person is director along with category of directorship <sup>1</sup>	Number of committee memberships and chairmanships <sup>2</sup>		No. of Meetings held during his/ her tenure and attended		Whether attended last AGM
				Chairman	Member	Held	Attended	
Mr. Sharad Bhansali (DIN- 08964527)	Independent Director	Nil	Nil	Nil	Nil	5	5	Yes
Ms. Sonu Bhasin (DIN- 02872234)	Independent Director	7	1. Whirlpool India Limited- Independent Director 2. Sutlej Textiles and Industries Limited- Independent Director 3. Berger Paints India Limited- Independent Director	1	4	5	5	Yes
Mr. Thomas Reisten (DIN- 06900067)	Non-Executive Director	Nil	Nil	Nil	Nil	5	5	No

- The Directorships, held by Directors, as mentioned above, do not include the Directorships held in foreign companies / body corporates and Indus Towers Limited (formerly Bharti Infratel Limited). Also, for the purpose of counting the total number of directorship in listed entities, those entities are considered whose equity shares are listed on a stock exchange.
- Committees considered for the purpose are those prescribed under the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Indus Towers Limited (formerly Bharti Infratel Limited). Committee memberships details provided do not include chairmanship of committees as it has been provided separately.

## Notes:

- There are no inter-se relationships between our Board members.
- As on March 31, 2022, none of the Directors of the Company holds shares in the Company.

# ~97%

**Average attendance at the Board meetings during FY 2021-22**

## Remuneration of Directors

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is intended to set out criteria for remuneration of the directors, Key Managerial Personnel, Senior Management, and other employees of the Company in accordance with the goals of the Company.

The criteria of making payments to Non-Executive Independent Directors forms part of the Policy on Nomination, Remuneration and Board Diversity. The detailed Nomination, Remuneration and Board Diversity Policy is available on the website of the company at <https://www.industowers.com/investor/corporategovernance/?var=1657517893>. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy of the Company.

(Amount in ₹)

Name of the Director(s)	Salary and Allowances <sup>1</sup>	Variable Pay <sup>4</sup>	Perquisites <sup>2</sup>	Commission <sup>3</sup>	Total
<b>Executive Directors</b>					
Mr. Bimal Dayal	32,583,387	14,751,512	3,228,213	-	50,563,112
<b>Non-Executive Directors</b>					
Ms. Anita Kapur	-	-	-	3,000,000	3,000,000
Mr. N Kumar	-	-	-	3,500,000	3,500,000
Ms. Sonu Bhasin	-	-	-	2,750,000	2,750,000
Mr. Sharad Bhansali	-	-	-	2,750,000	2,750,000
<b>Total</b>	<b>32,583,387</b>	<b>14,751,512</b>	<b>3,228,213</b>	<b>12,000,000</b>	<b>62,563,112</b>

- The salary and allowance include the Company's contribution to the Provident Fund.
- During the year, Mr. Bimal Dayal did not exercise any performance linked stock options.
- Provision for profit-based commission for financial year 2021-22.
- Remuneration of Mr. Bimal Dayal excludes special payout of ₹ 19,911,944 paid to him during the financial year.

### Notes:

- As per revised policy on Nomination, Remuneration and Board Diversity has a provision to pay commission w.e.f. November 20, 2020, commission is paid to Independent Directors only. Accordingly, during financial year 2021-22 no commission is paid/ payable to Mr. Balesh Sharma, Mr. Gopal Vittal, Mr. Harjeet Singh Kohli, Mr. Rajan Bharti Mittal, Mr. Randeep Singh Sekhon, Mr. Ravinder Takkar and Mr. Thomas Reisten the Non-Executive Non-Independent Directors of the company.
- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, Mr. Bimal Dayal was granted 66,323 performance linked stock options on July 29, 2021 under ESOP Scheme 2014 of the Company at an exercise price of ₹ 10 per option, with vesting period spread over 3 years. The options can be converted into equity shares either in full or in tranches at any time upto seven years from the date of vesting. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period. No other Director has been granted any stock option during the year.
- The appointment of Executive Directors is by virtue of their employment / contract of service with the Company and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.
- Performance Linked Incentive (PLI) is based on the actual payout made during the year.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- During financial year 2021-22, the Company did not pay any sitting fees to the Directors.
- The Company had entered into contract with the executive directors i.e. Mr. Bimal Dayal dated January 8, 2021. This is based on the approval of the shareholders. There are no other contracts with any other director.

## Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference.

The Constitution and charter of the Board Committees are available on the Company's website <https://www.industowers.com/investor/corporategovernance/> and are also stated herein.

## Audit & Risk Management Committee

As on March 31, 2022, Audit & Risk Management Committee comprised 6 members, 4 being Independent Directors and 2 being Non-Executive Directors. Ms. Anita Kapur is Chairperson of the Committee. The Chairperson of the Audit & Risk Management Committee has sound financial knowledge as well as many years of experience in general management. All members of Audit & Risk Management Committee, including the Chairperson, have accounting and financial management expertise. The composition of the Audit & Risk Management

Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary of the Company acts as the secretary to the Committee. The Managing Director & CEO, Chief Financial Officer, the Statutory Auditors and the Internal Auditor are permanent invitees of Audit & Risk Management Committee.

The Chairperson of the Audit & Risk Management Committee, Ms. Anita Kapur was present at the last Annual General Meeting held on August 3, 2021.

**Key Responsibilities of the Audit & Risk Management Committee, inter-alia, includes:**

**Audit Related:**

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend to the Board in respect of the appointment (including the filling of a casual vacancy), resignation or dismissal, remuneration and terms of auditors;
- Approve limits in respect of non-audit services provided by the statutory auditor; also approve the payment to statutory auditors for any other services rendered by them;
- Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit to be conducted; also conduct post-audit discussion to ascertain any areas of concern;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgement by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of all related party transactions;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Review the implementation of Company's financial and risk management policies, and implementation of treasury policies & strategies and status of investor relation activities;
- Review the functioning of the Vigil / Whistle Blower mechanism;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discuss with the internal auditor any significant findings and follow up there on and the coverage and frequency of internal audits as per the annual audit plan;
- Review & monitor the auditor's independence, performance & effectiveness of audit process;
- Review the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board;
- Scrutiny of inter-corporate loan & investments;
- Monitoring & Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those

stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Valuation of undertakings or assets of the company, wherever it is necessary;
- Appointment of registered valuers;
- Evaluation of internal financial controls and risk management systems;
- Approval or any subsequent modification of transactions of the company with related parties;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Mandatorily review the following information:
  - (i) management discussion and analysis of financial condition and results of operations;
  - (ii) statement of significant related party transactions (as defined by the audit committee), submitted by the management;
  - (iii) management letters or letters of internal control weaknesses issued by the statutory auditors;
  - (iv) internal audit reports relating to internal control weaknesses;
  - (v) the appointment, removal and terms of remuneration of the chief internal auditor;
  - (vi) statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”);
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/

notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the SEBI Listing Regulations and Companies Act, 2013.

#### **Risk Management Related**

- To formulate a detailed risk management policy which shall include:
  - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (iii) Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Audit & Risk Management Committee;
- Implement, monitor and review the risk management framework, the risk management plan and related matters;
- Delegate above said authorities to sub-committees, whenever required;
- To coordinate its activities with other committees in instances where there is any overlap with activities of such committees, in accordance with the framework laid down by the board of directors.



**Powers of the Audit & Risk Management Committee:**

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;













**Meeting, Attendance and Composition of the Audit & Risk Management Committee**

During financial year 2021-22, the Audit & Risk Management Committee met 5 times i.e. on April 22, 2021; July 29, 2021; October 25, 2021, January 27, 2022 and February 21, 2022. The time gap between two meetings was less than 120 days.

All recommendations made by the Audit & Risk Management Committee were accepted by the Board.

The Committee approved 4 matters through resolution by circulation during financial year 2021-22 and the same were presented in the next meeting for its noting.

The composition of the Committee as on March 31, 2022 and the attendance of members at the meetings held during financial year 2021-22 are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Ms. Anita Kapur-Chairperson	Independent Director		
Mr. Harjeet Kohli	Non-Executive Director		
Mr. N Kumar	Independent Director		
Mr. Sharad Bhansali	Independent Director		
Ms. Sonu Bhasin	Independent Director		
Mr. Thomas Reisten	Non-Executive Director		

# 100%

**Attendance at the Audit & Risk Committee meetings during FY 2021-22**

**Consolidated fees paid to statutory auditor**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity for financial year 2021-22 of which it is a part -

	(in ₹)
Fees paid by Indus Towers Limited (formerly Bharti Infratel Limited)	14,403,000
Fees paid by Smartx Services Limited	752,500
<b>Total Fees paid*</b>	<b>15,155,500</b>

\*Total fees paid to statutory auditors includes the fees paid/payable for all the services by the Company and its subsidiary for financial year 2021-22.

**HR, Nomination and Remuneration Committee**

As on March 31, 2022, the HR, Nomination and Remuneration Committee comprised 6 members who are Non-Executive Directors, of whom 4 members are Independent Directors. Mr. Sharad Bhansali is Chairperson of the Committee. The composition of the Committee meets the requirements of Section 178 of the Act and the Listing Regulations. The Company Secretary of the Company acts as the secretary of the Committee. The Chief Human Resource Officer is the permanent invitee to the Committee meetings. Other senior management members are also being invited to the meeting to present reports relating to the items to be discussed at the meeting.

The Chairperson of the HR, Nomination and Remuneration Committee, Mr. Sharad Bhansali was present at the last Annual General Meeting held on August 3, 2021.

**Key Responsibilities of the HR, Nomination and Remuneration Committee, inter-alia, includes:**

**HR Related:**

- Attraction and Retention strategies for employees;
- Formulation and recommendation to the Board, a policy relating to remuneration of directors, key managerial personnel and other employees;
- Determine the compensation (including salaries and salary adjustments, incentives/benefits, bonuses) and Performance targets of the Chairman and of the Managing Directors & CEOs;
- Review employee development strategies;
- Assess the learning and development needs of the directors and recommend learning opportunities which can be used by them to meet their needs for development;
- Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- Review all human resource related issues including succession plan of key personnel;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Approve the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

**ESOP Related:**

- Formulation of ESOP plans and decide on future grants from time to time;
- Formulation of terms and conditions under the present ESOP Schemes of the Company with respect to:
  - (i) Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan;
  - (ii) Performance conditions attached to any ESOP Plan;
  - (iii) Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;

- (iv) Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- (v) Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee;
- (vi) Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (vii) Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- (viii) Grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;
- (ix) Any other matter which may be relevant for administration of ESOP schemes from time to time.

- Frame suitable policies and processes to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Other key issues as may be referred by the Board.

**Nomination Related:**

- Formulate the criteria / policy for appointment of directors, senior management which shall, inter-alia include qualifications, positive attributes and independence of a director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees;
- Identify and recommend to the board persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and their removal thereof;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for particular appointment;
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman, Managing Director and CEO;
- Recommend suitable candidate for the role of Lead Independent Director;













- Recommend the appointment of any director to executive or other employment/place of profit in the Company;
- Formulate the criteria for evaluation of performance of independent directors and Board of Directors;
- Devise policy on diversity of Board of Directors;
- Decide whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors;
- Conduct an annual evaluation of overall effectiveness of the Board, the committees of the Board and the performance of each director.

The HR, Nomination and Remuneration Committee shall also consider any other key issues/ matters as may be referred by the Board or as may be stipulated under any law, rule or regulation including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

#### Meeting, Attendance and Composition of the HR, Nomination and Remuneration Committee

During financial year 2021-22, the HR, Nomination and Remuneration Committee met 4 times i.e. on April 22, 2021; July 29, 2021; October 25, 2021 and January 27, 2022.

The composition of the Committee as on March 31, 2022 and the attendance of members at the meetings held during financial year 2021-22 are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. Sharad Bhansali- Chairman	Independent Director		
Ms. Anita Kapur <sup>1</sup>	Independent Director		
Mr. N Kumar	Independent Director		
Mr. Rajan Bharti Mittal	Non-Executive Director		
Mr. Ravinder Takkar	Non-Executive Director		
Ms. Sonu Bhasin <sup>1</sup>	Independent Director		

1. Ms. Anita Kapur and Ms. Sonu Bhasin were appointed as members of the Committee w.e.f. January 1, 2022.

# 100%

**Attendance at the HR, Nomination and Remuneration Committee meetings during FY 2021-22**

### Stakeholders' Relationship Committee

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Act, the Company has a Stakeholders' Relationship Committee. As on March 31, 2022, the Committee comprised 4 members, all being Non-Executive Directors, out of whom 2 are Independent Directors.

Ms. Anita Kapur is the Chairperson of the Committee. The Company Secretary of the Company acts as a secretary to the Committee.

#### Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, includes:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc;
- Dematerialize or rematerialize the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company;









- Issue duplicate share/other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve, register, and refuse to register transfer/ transmission of shares and other securities;
- Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- Oversee & review, all matters connected with the transfer of securities of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- Recommend methods to upgrade the standard of services to the investors;
- Deal with the unclaimed / undelivered shares of the Company;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
- Do all such acts, deeds and things as may be necessary in this regard.

Apart from the quarterly meetings, the meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests/ grievances are redressed within a stipulated time period.

#### Meeting, Attendance and Composition of the Stakeholders' Relationship Committee

During financial year 2021-22, the Stakeholders' Relationship Committee met 4 times i.e. on April 22, 2021; July 29, 2021; October 25, 2021 and January 27, 2022.

The composition of the Committee as on March 31, 2022 and the attendance of members at the meetings held during financial year 2021-22, are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Ms. Anita Kapur- Chairperson	Independent Director		
Mr. Balesh Sharma	Non- Executive Director		
Mr. Rajan Bharti Mittal	Non- Executive Director		
Mr. Sharad Bhansali	Independent Director		

# ~87.5%

**Average attendance at the Stakeholders' Relationship Committee meetings during FY 2021-22**

#### Compliance Officer

Ms. Samridhi Rodhe is the Company Secretary & Compliance Officer of the Company for complying with the requirements of the Listing Regulations and applicable laws.

#### Nature of Complaints and Redressal Status

During financial year 2021-22, the complaints and queries received by the Company were general in nature, including issues relating to non-receipt of dividend warrants, Annual Reports and others, which were resolved to the satisfaction of the shareholders.



Details of the investor complaints received during financial year 2021-22 are as follows:

Type of complaint	Received	Redressed	Pending as on March 31, 2022
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	0	0	Nil
Non-receipt of dividend	3	3	Nil
Miscellaneous	1	1	Nil
<b>Total</b>	<b>4</b>	<b>4</b>	<b>Nil</b>

To redress investor grievances, the Company has a dedicated e-mail id, [compliance.officer@industowers.com](mailto:compliance.officer@industowers.com) to which investors may send their grievances.

### Environmental, Social and Governance (ESG) Committee

The Board of the Directors of the Company in its meeting held on January 27, 2022 approved the constitution of Environmental, Social and Governance (ESG) Committee. As on March 31, 2022, the Committee comprised 4 members i.e. Ms. Sonu Bhasin, Independent Director, Mr. Randeep Singh Sekhon, Non-Executive Non-Independent Director, Mr. Thomas Reisten, Non-Executive Non-Independent Director and Mr. Bimal Dayal, Managing Director & CEO.

Ms. Sonu Bhasin was appointed as the Chairperson of the Committee. The Company Secretary of the Company acts as a secretary to the Committee.

#### Key Responsibilities of the Environmental, Social and Governance (ESG) Committee:

- Assist Board in the Company's overall strategy with respect to ESG matters;
- Provide strategic guidance to ESG Council to set the ESG goals, targets and monitor performance thereof;
- Overview of material ESG risks and opportunities, approach to mitigate or adapt to the risks;
- Oversee the Company's policies, practices and performance with respect to ESG matters;

- Oversee the Company's reporting standards in relation to ESG matters;
- Report to the Board current and emerging topics relating to ESG matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders;
- Advise the Board on significant stakeholder concerns relating to ESG matters;
- Delegate any or all of its responsibilities to any member of the management committee.

#### Powers of the ESG Committee:









- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Special Committee of Directors

During the year, the Company has constituted a Special Committee of Directors. The Committee comprised 4 members with Independent Chairman, 1 Executive Director and 2 Non-Executive Directors.

The Company Secretary acts as a secretary to the Committee.

The composition of the Committee as on March 31, 2022 and the attendance of the members at the meeting held during financial year 2021-22, are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. N Kumar – Chairman	Independent Director		
Mr. Bimal Dayal	Managing Director & CEO		
Mr. Harjeet Kohli	Non-Executive Director		
Mr. Ravinder Takkar	Non-Executive Director		

# 100%

## Attendance at the Special Committee of Directors meeting during FY 2021-22

### Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Act, the Company has constituted the Corporate Social Responsibility (CSR) Committee.

As on March 31, 2022, the Committee comprised 4 members of whom 2 are Independent Directors and 2 are Non- Executive Directors. Ms. Sonu Bhasin is the Chairperson of the Committee.

The Company Secretary acts as a secretary to the Committee.

#### Key Responsibilities of the CSR Committee, inter-alia, includes:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the activities undertaken;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Review the performance of the Company in the area of CSR;
- Evaluate social impact of the Company's CSR Activities;
- Review the Company's disclosure of CSR matters including any annual social responsibility report;









- Review the following, with the management, before submission to the Board for approval:
  - Business Responsibility Report (BRR) and Sustainability Report; and
  - CSR Report
- Institute a transparent monitoring mechanism for implementation of the CSR project or programs or activities;
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations, Corporate Social Responsibility Voluntary Guidelines, and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board has approved the Corporate Social Responsibility Policy (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that benefits the society at large. The Policy is posted on the website of the Company and can be accessed at <https://www.industowers.com/wp-content/themes/indus/pdf/CSR-Policy.pdf>.

#### Meeting, Attendance and Composition of the Corporate Social Responsibility (CSR) Committee

During financial year 2021-22, the CSR Committee met 4 times i.e. on April 22, 2021; July 29, 2021; October 25, 2021 and January 27, 2022. The Committee approved 1 matter through resolution by circulation during financial year 2021-22 and the text of the resolution approved was presented in the next meeting for noting.

The composition of the Committee as on March 31, 2022 and the attendance of the members at the meetings held during financial year 2021-22, are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Ms. Sonu Bhasin- Chairperson	Independent Director		
Mr. N Kumar	Independent Director		
Mr. Rajan Bharti Mittal	Non-Executive Director		
Mr. Ravinder Takkar	Non-Executive Director		

# ~75%

## Average attendance at the CSR Committee meetings during FY 2021-22

#### CSR Committee Report for the year ended March 31, 2022

The CSR report for the year ended March 31, 2022 is annexed as Annexure C to the Board's Report.

## General Body Meetings

The details of last three Annual General Meetings are as follows:

Year	Time, Day, Date & Location	Summary of Special Resolutions
2020-2021	3:30 P.M. IST August 3, 2021 (Tuesday) Through Video Conferencing	No Special Resolution was passed.
2019-2020	3:30 P.M. IST August 3, 2020 (Monday) Through Video Conferencing	Re-appointment of Mr. Rajinder Pal Singh as an Independent Director of the Company.
2018-2019	12:30 P.M. IST July 23, 2019 (Tuesday) The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana	Re-appointment of Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Dr. Leena Srivastava and Mr. Narayanan Kumar as Independent Directors of the Company.

## Postal Ballot/ E-Voting

The Company did not pass any resolution through postal ballot during the financial year 2021-2022.

## Disclosures and Policies

### Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

The Company has a well-defined and structured governance process for transaction with related parties undertaken by the Company. The related party transactions are undertaken after review and certification by leading Independent global valuation/ accounting firms confirming that the proposed pricing mechanism for a particular transaction meets the arm's length criteria. In certain cases, the external valuers from the said leading Independent global valuation/ accounting firm(s) also present the valuation report to the Audit & Risk Management Committee. The Committee considers the certifications of leading Independent global valuation/ accounting firm and conducts a review before granting approval to any related party transaction.

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis or were approved by the Board/ Audit & Risk Management Committee under specific provisions of the act.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Rather, they synchronize and synergise with the Company's operations. Details of the

transactions of transactions with the related parties are set out in Note No. 39 of the Standalone Financial Statements, forming part of this Integrated Report.

The required statements / disclosures, with respect to the Related Party Transactions, are placed before the Audit & Risk Management Committee, on quarterly basis in terms of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature.

Further, in respect of each half year, the Company submits the disclosure of related party transactions on a consolidated basis to the stock exchange and the same is also placed on the website of the Company.

In terms of the Listing Regulations, Company shall obtain approval of shareholders for material related party transactions i.e. the transaction which individually or taken together with previous transactions during a Financial Year exceeds 1000 crore or 10% of the annual consolidated turnover of the Company whichever is less and any material modification thereof. The transactions of the Company entered / to be entered into with Bharti Airtel Limited and Vodafone Idea Limited are material related party transactions for which approval of shareholders have been obtained.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Act and the Listing Regulations. The Policy includes clear threshold limits and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at <https://www.industowers.com/wp-content/themes/indus/pdf/Policy-on-Related-Party-Transactions.pdf>.

### Prevention of Sexual Harassment

Indus Towers' commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions with respect to the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates. Following are the details of sexual harassment cases for financial year 2021-22:

- 1) Number of complaints filed during the financial year - Nil
- 2) Number of complaints disposed off during the financial year - Nil
- 3) Number of complaints pending as at the end of the financial year – Nil

### Details of Non-compliance of any requirement of corporate governance

There has been no instance of non-compliance of any requirement of corporate governance by the Company.

### Details of Non-compliance with regard to Capital Markets during the last three years

There has been no instance of non-compliances by the Company and no penalties and / or strictures has been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### Credit Rating

As on March 31, 2022, the Company was rated by two domestic rating agencies.

The Company was assigned ICRA AA+ (Stable) issuer rating by ICRA Ltd. Also, Commercial Paper rating were maintained at the highest end of the rating scale at ICRA A1+.

CRISIL rated their Long Term Rating of the Company to CRISIL AA+/Stable (Reaffirmed), Short Term Rating were maintained at the highest end of the rating scale at CRISIL A1+ (Reaffirmed), Bond rating at CRISIL AA+/Stable (Reaffirmed) and for Commercial Paper CRISIL A1+ (Reaffirmed).

### Insider Trading

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ('Code') who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

### Ombudsperson policy/ Whistle Blower Policy

Indus Towers has a robust and independent vigil mechanism that is administered through the office of the Ombudsperson. It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the Code of Conduct of the Company.

The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit & Risk Management Committee. All employees of the Company as well as external stakeholders having grievance has full access to the Ombudsperson through phones, emails or even meetings in person. No employee is denied access to the Audit & Risk Management Committee. During the year under review, no employee contacted the Audit & Risk Management Committee.

### Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management Personnel. The code is available on the Company's website [www.industowers.com](http://www.industowers.com). The Code is applicable to all Board members and Senior Management executives who directly report to the Managing Director & CEO. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management Personnel with the Company that may have a potential conflict of interest.



A declaration signed by the Managing Director & CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the Financial Year ended March 31, 2022, is annexed as Annexure A to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the Code.

#### **CEO and CFO Certification**

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director & CEO and CFO was placed before the Board. The same is annexed as Annexure B to this report.

#### **Auditors' Certificate on Corporate Governance**

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure D to the Board's Report.

#### **Certificate from Secretarial Auditor pursuant to Schedule V of the Listing Regulations**

A certificate has been received from M/s Chandrasekaran Associates, Secretarial Auditor, pursuant to Schedule V of the Listing Regulations that none of the Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed as Annexure C to this report.

#### **Subsidiary Company**

The Company has an unlisted subsidiary company and the Company monitors its performance, inter alia, by the following ways:

- Financial Statement, in particular the investments made by unlisted subsidiary company, is reviewed quarterly by Company's Audit & Risk Management Committee;
- Minutes of Board Meeting of unlisted subsidiary company is placed before the Company's Board regularly;
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary company is placed before the Company's Board.

The Company does not have any unlisted material subsidiary in terms of the provisions of Listing Regulations. The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at <https://www.industowers.com/wp-content/themes/indus/pdf/policy-for-determining-material-subsiaries-1.pdf>.

#### **Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested:**

During the Financial Year ended March 31, 2022, there are no loans or advances provided by the Company and its subsidiaries to firms/companies in which directors were interested.

#### **Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations**

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulations 46 and Part C and Part D of Schedule V of the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. Deloitte Haskins & Sells, Chartered Accountants, Gurugram, the Company's Statutory Auditors and the same is attached to the Board's Report.

#### **Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations**

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

#### **Shareholders' Rights and Auditors' Qualification**

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors are first submitted to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting under Regulation 30 of Listing Regulations. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website at <https://www.industowers.com/investor/results/>.

On the next day of the announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts are posted on the website.

#### **Audit Qualifications**

Company's financial statements are unqualified.

#### **Reporting of Internal Auditor**

The Internal Auditor/ Internal assurance partners report to the Audit & Risk Management Committee.

## Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Act and as a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send all correspondences / communications through email to those shareholders, who have registered their email id with their depository participants/Company's registrar and share transfer agent. In case, the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

## Status of Dividend Declared

Status of the unclaimed / unpaid dividend amount is as under:

Financial Year	Dividend	Rate of Dividend per equity share of ₹ 10 each	Total Dividend Amount (₹) (In Mn)	Amount unpaid to the shareholders (₹) (In Mn)
2014-2015	Final	6.50	12,326	0.14
2015-2016	Final	3.00	5,548	0.12
2016-2017	Interim	12.00	22,195	0.52
2016-2017	Final	4.00	7,398	0.13
2017-2018	Final	14.00	25,894	0.86
2018-2019	1 <sup>st</sup> Interim	7.50	13,872	0.32
2018-2019	2 <sup>nd</sup> Interim	7.50	13,872	0.34
2019-2020	1 <sup>st</sup> Interim	3.65	6,751	0.18
2019-2020	2 <sup>nd</sup> Interim	2.75	5,087	0.17
2019-2020	3 <sup>rd</sup> Interim	4.10	7,583	0.26
2020-2021	1 <sup>st</sup> Interim	2.30	4,254	0.26
2020-2021	2 <sup>nd</sup> Interim	17.82	48,023	1.03

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above Financial Years are requested to contact the Company or its Share Transfer Agent.

Pursuant to the provisions of Section 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 (IEPF Rules), the dividend which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members may visit the Company's website <https://www.industowers.com/investor/shares/> for tracking details of unclaimed/ unpaid amounts, pending transfer to IEPF.

## Status of Unclaimed/ Unpaid Dividend

During the financial year 2021-22, the Company, pursuant to the provisions of Section 124 of the Companies Act, 2013, has

transferred a dividend amount of ₹ 150,260 (Rupees One Lakh Fifty Thousand Two Hundred and Sixty Only) and ₹ 1,64,619 (Rupees One Lakh Sixty-Four Thousand Six Hundred and Nineteen Only) lying in 'Unpaid Equity Dividend 2014', which remained unpaid/ unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government. Further, 241 equity shares of the Company on which the dividend remained unpaid/ unclaimed for a period of seven consecutive years were also transferred to IEPF in accordance with the Companies Act, 2013 and rules laid there under. The Company has uploaded relevant details of transfer on the website of the Company. The investors whose shares and dividend amount have been transferred to IEPF may claim their shares and seek refund from the competent authority in accordance with the provisions of law.

The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 3, 2021 (date of last Annual General Meeting) on the Company's website [www.industowers.com](http://www.industowers.com).

## Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details in respect of shares lying in the demat account 'Indus Towers Limited (formerly Bharti Infratel Limited)- Unclaimed Suspense Account' as on March 31, 2022 are as under:

Particulars	Number of shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 1, 2021	1	50
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	1	50

The voting rights on the shares in the suspense account as on March 31, 2022 shall remain frozen till the rightful owners of such shares claim the shares.

## Means of Communication

**Quarterly Results:** The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on the Company's website, <https://www.industowers.com/investor/results/>.

**News releases, presentations:** Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website, [www.industowers.com](http://www.industowers.com).

**Earning Calls & Presentations to Institutional Investors/ Analysts:** The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcasted live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts/ others is also uploaded on the website <https://www.industowers.com/investor/shareholder-communication/>.

**NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre:** The NEAPS/ BSE's Listing Centre is web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases and other material information are also filed electronically on the designated portals.

**Website:** Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis

reports, latest presentation made to the institutional investors and other general information about the Company are available on the website, [www.industowers.com](http://www.industowers.com).

Since the time of listing of shares, Indus has adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

## General Shareholders Information

### 16<sup>th</sup> Annual General Meeting

Date: August 23, 2022

Day: Tuesday

Time: IST 3:30 pm

Venue: Through Video Conferencing/Other Audio-Visual Means

### Financial Year

The Company has adopted the Financial Year of 12 months ending in March every year.

### Dividend and Dividend Pay-out Date

The Board in its meeting held on May 05, 2022 declared an interim dividend of ₹ 11/- per equity share amounting to ₹ 29,644.30 Mn for which the dividend pay out date was May 27, 2022, except where the shareholders provided instructions otherwise.

**Equity Shares Listing, Stock Code and Listing Fee Payment**

Name and address of the Stock Exchange, Scrip code and Status of fee paid for financial year 2022-23:

Name and address of the Stock Exchange	Scrip code	Status of fee paid
<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra(C), Mumbai – 400001	INDUSTOWER	PAID
<b>The BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	534816	PAID

**Stock Market Data**

The monthly high & low during each month, in last financial year, is as below:

Month	NSE		BSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
Apr-21	269.30	241.00	269.25	241.00
May-21	265.00	238.55	264.95	238.10
Jun-21	260.00	237.50	261.45	237.55
Jul-21	244.30	215.45	244.35	215.55
Aug-21	225.95	194.10	225.90	194.25
Sep-21	332.80	215.50	332.60	215.25
Oct-21	326.40	262.85	326.10	263.00
Nov-21	307.00	268.95	305.55	269.90
Dec-21	289.00	237.05	289.20	236.10
Jan-22	278.10	243.30	278.10	243.30
Feb-22	269.00	203.10	268.90	203.45
Mar-22	226.50	196.40	226.45	196.55

Source: [www.nseindia.com](http://www.nseindia.com) Source: [www.bseindia.com](http://www.bseindia.com)

Share Price performance in comparison to broad based indices such as BSE Sensex, and NSE NIFTY is as under:



Note: Indus share price and Sensex values on April 1, 2021 have been baselined to 100.





Note: Indus share price and NSE Nifty 50 index values on April 1, 2021 have been baselined to 100.

### Suspension of Company's Securities

Company's securities are never suspended from trading since its listing.

### Registrar and Share Transfer Agent (RTA)

KFin Technologies Limited (formerly known as KFin Technologies Limited is the Company's Registrar and Transfer Agent for handling the work related to share registry, both in physical and demat form.

### Share Transfer System

Approximately 100% of the Company's equity shares are in electronic format. Pursuant to the Listing Regulations, we obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

### Distribution of shareholding

By number of shares held as on March 31, 2022

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	Amount of share Capital (in ₹)	% of shares
1	1-5000	189,089	95.60	115,933,190	0.43
2	5001-10000	4,595	2.32	36,180,200	0.13
3	10001-20000	1,817	0.92	27,336,720	0.10
4	20001-30000	658	0.33	16,935,770	0.06
5	30001-40000	248	0.13	8,821,300	0.03
6	40001-50000	232	0.12	10,880,640	0.04
7	50001-100000	314	0.16	22,901,830	0.08
8	100001 and above	829	0.42	26,710,379,850	99.11
	<b>Total</b>	<b>197,782</b>	<b>100.00</b>	<b>26,949,369,500</b>	<b>100.00</b>

Please note that total number of folios (without consolidation of shareholding) as on March 31, 2022 are 202,223. However, pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, the shareholding is consolidated on the basis of PAN, where available, and folio number to avoid multiple disclosures of shareholding of the same person. The total number of shareholders after consolidation of folios based on PAN, where available are 197,782.

By Category of holders as on March 31, 2022

S. No.	Category	Number of Shares	%
<b>I.</b>	<b>Promoter &amp; Promoter Group</b>		
	(i) Indian	1,33,41,15,963	49.50%
	(ii) Foreign*	48,46,80,977	17.98%
	<b>Total - Promoter &amp; Promoter Group</b>	<b>1,882,349,530</b>	<b>67.49%</b>
<b>II.</b>	<b>Public Shareholding</b>		
	<b>Institutions</b>		
	(i) Mutual Funds	18,606,848	0.69%
	(ii) Alternative Investment Fund	0	0
	(iii) Foreign Portfolio Investors	760,690,018	28.23%
	(iv) Financial Institutions/Banks	28,000	0.00%
	(v) Insurance Companies	55,025,092	2.04%
	(vi) Qualified Institutional Buyer	5,436,456	0.21%
	<b>Total – Institutions</b>	<b>795,326,852</b>	<b>31.16%</b>
	<b>Non-Institutions</b>		
	(i) Individual shareholders holding nominal share capital up to ₹ 2 lakhs	23,200,068	0.86%
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	4,534,132	0.17%
	(iii) NBFCs Registered with RBI	44,800	0.00%
	(iv) Trust	648	0.00%
	(v) Non Resident Indians	310,536	0.01%
	(vi) Clearing Members	3,829,781	0.14%
	(vii) Non Resident Indian Non Repatriable (NRN)	148,105	0.01%
	(viii) Bodies Corporate	3,221,638	0.12%
	(ix) IEPF	1,081	0.00%
	<b>Total - Non-Institutions</b>	<b>35,799,884</b>	<b>1.33%</b>
	<b>Total - Public Shareholding</b>	<b>812,442,330</b>	<b>32.49%</b>
<b>III.</b>	<b>Non Promoter-Non Public - Shares held by Indus Towers Employees Welfare Trust</b>	<b>553,712</b>	<b>0.02%</b>
	<b>Total</b>	<b>2,694,936,950</b>	<b>100%</b>

\*Two promoter entities that are foreign owned and controlled have been re-categorized as Indian.

### Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE121J01017. As on March 31, 2022, 2,69,49,35,789 shares representing approx. 100 % of the total issued and paid-up capital are in demat form with the depositories.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

### Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on date.

### Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken any hedging activities during the year.

## Plant Locations

Being a service provider company, Indus Towers Limited (formerly Bharti Infratel Limited) has no plant locations. The Company's Circle Office addresses are provided at the end of this Integrated Annual Report.

	Contact	Email	Address
<b>For Corporate Governance and Other Secretarial related matters</b>	<b>Ms. Samridhi Rodhe</b> Company Secretary & Compliance Officer	<a href="mailto:compliance.officer@industowers.com">compliance.officer@industowers.com</a>	Indus Towers Limited (formerly Bharti Infratel Limited) Registered & Corporate Office:
<b>For queries relating to Financial Statements</b>	<b>Mr. Dheeraj Agarwal</b> Chief Investor Relation Officer	<a href="mailto:IR@industowers.com">IR@industowers.com</a>	Building No. 10, Tower A, 4 <sup>th</sup> Floor, DLF Cyber City, Gurugram-122002, Haryana
<b>For Corporate Communication related matters</b>	<b>Ms. Vivika Dass</b> National Head- Marketing Communication	<a href="mailto:indus.communication@industowers.com">indus.communication@industowers.com</a>	Tel: +91 -124-4296766 Fax: +91124 4289333 Website: <a href="http://www.industowers.com">www.industowers.com</a>
<b>Registrar &amp; Transfer Agent</b>	<b>KFin Technologies Limited (formerly known as KFin Technologies Private Limited)</b>	<a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>	Karvy Selenium, Tower B, Plot number 31 & 32, Gachibowli, Financial District, Hyderabad – 500032, India P : +91 040 6716 1736 Fax No.: 040 23420814 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a> Toll Free No. 1-800-3454001

# Annexure A

## DECLARATION

I hereby confirm that the Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2022, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Indus Towers Limited**  
(formerly Bharti Infratel Limited)

**Bimal Dayal**  
Managing Director & CEO

Date: May 05, 2022

Place: Gurugram



# Annexure B

## CERTIFICATION

We, Bimal Dayal, Managing Director & CEO and Vikas Poddar, Chief Financial Officer of Indus Towers Limited (formerly Bharti Infratel Limited), to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit & Risk Management Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 05, 2022  
Place: Gurugram

**Bimal Dayal**  
Managing Director & CEO

**Vikas Poddar**  
Chief Financial Officer

# Annexure C

## Certificate of Non-Disqualification of Directors

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members  
**Indus Towers Limited**  
**(formerly Bharti Infratel Limited)**  
Building No. 10, Tower A, 4th Floor,  
DLF Cyber City Gurugram Haryana 122002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indus Towers Limited (formerly Bharti Infratel Limited) having CIN L64201HR2006PLC073821 and registered office at Building no. 10, Tower A, 4th Floor, DLF Cyber City Gurugram Haryana 122002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Mr. Narayanan Kumar	00007848	29/04/2008
2.	Mr. Rajan Bharti Mittal	00028016	27/01/2016
3.	Ms. Anita Kapur	07902012	17/01/2018
4.	Mr. Ravinder Takkar	01719511	19/11/2020
5.	Mr. Gopal Vittal	02291778	19/11/2020
6.	Ms. Sonu Halan Bhasin	02872234	19/11/2020
7.	Mr. Thomas Reisten	06900067	19/11/2020
8.	Mr. Harjeet Singh Kohli	07575784	19/11/2020
9.	Mr. Balesh Sharma	07783637	19/11/2020
10.	Mr. Randeep Singh Sekhon	08306391	19/11/2020
11.	Mr. Sharad Bhansali	08964527	19/11/2020
12.	Mr. Bimal Dayal	08927887	08/01/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.:1428/2021

**Dr. S. Chandrasekaran**

Senior Partner

Membership No. 1644

Certificate of Practice No. 715

UDIN: F001644D000246306

Date: 30.04.2022

- (i) Due to restricted movement amid COVID-19 pandemic, we conducted viewed the necessary disclosures and other records etc. provided by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records provided to us are the true and correct.

# Independent Auditor's Report

To The Members of **Indus Towers Limited** (formerly Bharti Infratel Limited)

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements.

### Emphasis of Matter

Material uncertainty arising out of certain developments on one of the largest customer and its consequential impact on business operations of the Company

We draw attention to note 48 of the consolidated financial statements, which describes the impact on business operations, receivables and financial position of the Company on account of one of the largest customer's financial condition and its ability to continue as a going concern.

The customer's assumption of going concern is essentially dependent on its ability to raise additional funds as required and successful negotiations with lenders for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due.

Our opinion is not modified in respect of above matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition – accuracy of revenue recorded</b></p> <p>We identified revenue recognition as a key audit matter because there is a risk around the accuracy of revenue recorded at rates other than the approved contracts / agreements. This is because the Group's billing systems are complex and process large volume of data, including combination of different components of revenue.</p> <p>(Refer to note 4.1(j) and 24 to the consolidated financial statements)</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over:</p> <ul style="list-style-type: none"> <li>• Capture and recording of revenue transactions;</li> <li>• Authorisation of rates changes and input of the rate changes into the billing systems;</li> <li>• Preparation and validation of the billing schedule; and</li> <li>• Calculations of amounts billed to operators, in line with underlying contracts / agreements;</li> </ul> <p>We tested a sample of invoices issued to operators to ensure that the revenue recorded are agreeing to the relevant underlying supporting documentation. We also performed substantive analytical procedures to test the recorded rental revenue;</p> <p>We involved our internal IT specialists to test IT general controls and application specific controls surrounding billing system, including testing of system generated reports used in our audit.</p>
2	<p><b>Contingent Liabilities and Provisions: Disputed tax matters</b></p> <p>Group is subjected to a number of significant income tax litigations and indirect tax litigations ("litigations") which are in appeal before various judicial forums.</p> <p>The eventual outcome of these litigations are uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p> <p>(Refer to note 4.1(q)(ii) and note 36(b) to the consolidated financial statements)</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit procedures included evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over identification of litigations and evaluation of possible outcomes around litigations.</p> <p>We obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of these tax litigations.</p> <p>We involved our internal direct and indirect tax experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice obtained by management, if any, and considered relevant legal provisions and available precedents to challenge management's underlying assumptions in estimating the possible outcome of these litigations; and</p> <p>We assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.</p>

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Report on Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Parent's 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated

financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated 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 of the Parent Company as on 31st

March, 2022 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- 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 remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36(b) to the Consolidated Financial Statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 44 to the Consolidated Financial Statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India. Refer Note 45 to the Consolidated Financial Statements.

- iv. (a) The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary 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 Parent or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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 performed by us on the Company and its subsidiary which are



companies incorporated in India whose financial statements have been audited under the Act, 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 interim dividend declared by the Parent subsequent to the year end is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not due for payment on the date of this audit report.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to

us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

**For Deloitte Haskins & Sells LLP**

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

**Vijay Agarwal**

Partner

(Membership No.094468)

Place: Gurugram

Date: May 05, 2022

UDIN: 22094468AILGLP9297

# 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”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Indus Towers Limited (formerly Bharti Infratel Limited) (hereinafter referred to as “Parent”) and its subsidiary company, which are companies incorporated in India, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI)”. 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 respective 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 internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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. 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 internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

### **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 Parent and its subsidiary company, which are companies incorporated in India, have, 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells LLP**

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

**Vijay Agarwal**

Partner

(Membership No.094468)

Place: Gurugram

Date: May 05, 2022

UDIN: 22094468AILGLP9297

# Consolidated Balance Sheet

as at March 31, 2022

(Amounts in millions of Indian Rupees)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5 (a)	208,699	215,819
Right of use assets	5 (b)	109,210	102,110
Capital work-in-progress	5 (a)	1,787	2,736
Intangible assets	5 (a)	352	73
Financial assets			
Other financial assets	7	11,012	10,533
Income tax assets (net)		6,844	7,282
Other non-current assets	9	18,659	14,586
		<b>356,563</b>	<b>353,139</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6	16,521	22,714
Trade receivables	10	70,586	38,285
Cash and cash equivalents	11	9,802	145
Other financial assets	7	23,755	29,559
Other current assets	12	2,449	5,595
		<b>123,113</b>	<b>96,298</b>
		<b>479,676</b>	<b>449,437</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	26,949	26,949
Other equity	14	194,556	131,821
		<b>221,505</b>	<b>158,770</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	23,739	15,051
Lease liabilities	16	120,877	112,327
Other financial liabilities	17	5,708	5,236
Provisions	18	17,198	15,666
Deferred tax liabilities (net)	8	918	703
Other non-current liabilities	19	1,462	2,178
		<b>169,902</b>	<b>151,161</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	31,129	66,590
Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		522	374
- Total outstanding dues of creditors other than micro enterprises and small enterprises		20,771	32,214
Lease liabilities	16	21,515	21,792
Other financial liabilities	22	6,510	11,296
Other current liabilities	23	5,163	5,441
Provisions	18	535	481
Current tax liabilities (net)		2,124	1,318
		<b>88,269</b>	<b>139,506</b>
<b>Total liabilities</b>		<b>258,171</b>	<b>290,667</b>
<b>Total equity and liabilities</b>		<b>479,676</b>	<b>449,437</b>

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**  
Partner  
Membership No: 094468

**Harjeet Kohli**  
Director

**Ravinder Takkar**  
Director

**Bimal Dayal**  
Managing Director & CEO

Place: Gurugram  
Date: May 05, 2022

**Vikas Poddar**  
Chief Financial Officer

**Samridhi Rodhe**  
Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

Particulars	Note	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	24	277,172	139,543
Other income	25	3,525	1,969
<b>Total income</b>		<b>280,697</b>	<b>141,512</b>
<b>Expenses</b>			
Power and fuel	26	102,658	51,536
Employee benefit expense	27	7,722	5,126
Repairs and maintenance	28	13,467	7,246
Other expenses	29	3,896	3,036
<b>Total expenses</b>		<b>127,743</b>	<b>66,944</b>
<b>Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax</b>		<b>152,954</b>	<b>74,568</b>
Depreciation and amortization expenses	30	54,222	29,913
Less: adjusted with general reserve in accordance with the Scheme of arrangement (refer note 42)	30	(970)	(1,429)
		<b>53,252</b>	<b>28,484</b>
Finance costs	31	16,033	8,364
Finance income	31	(1,060)	(1,992)
Charity and donation	43	422	806
<b>Profit before share of profit of joint venture and tax</b>		<b>84,307</b>	<b>38,906</b>
Share of profit of joint venture (refer note 3)		-	8,663
<b>Profit before tax</b>		<b>84,307</b>	<b>47,569</b>
<b>Income tax expense :</b>		<b>20,576</b>	<b>9,779</b>
Current tax	8	20,373	9,852
Deferred tax	8	203	(73)
<b>Profit for the year</b>		<b>63,731</b>	<b>37,790</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be re-classified to profit or loss</b>			
Remeasurements gains/(losses) of defined benefit plans (net of tax)		36	20
Share of profit/(loss) in OCI of joint venture		-	(7)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>36</b>	<b>13</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>63,767</b>	<b>37,803</b>
<b>Earnings per equity share (Nominal value of share is Rs. 10 each )</b>			
Basic	32	23.653	17.516
Diluted	32	23.651	17.515

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**  
Partner  
Membership No: 094468

**Harjeet Kohli**  
Director

**Ravinder Takkar**  
Director

**Bimal Dayal**  
Managing Director & CEO

Place: Gurugram  
Date: May 05, 2022

**Vikas Poddar**  
Chief Financial Officer

**Samridhi Rodhe**  
Company Secretary

# Consolidated Statement of changes in Equity

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

## A. Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid	No of shares (in thousands)	(Rs. in Mn)
<b>As at April 1, 2020</b>	<b>18,49,608</b>	<b>18,496</b>
Issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	8,45,329	8,453
<b>As at March 31, 2021</b>	<b>26,94,937</b>	<b>26,949</b>
<b>As at April 1, 2021</b>	<b>26,94,937</b>	<b>26,949</b>
<b>As at March 31, 2022</b>	<b>26,94,937</b>	<b>26,949</b>

## B. Other Equity

Particulars	Reserves and surplus							Other comprehensive income	Total equity
	Securities premium	Treasury shares	Share based payment reserve	General reserve	Capital reserve	Merger capital reserve	Capital redemption reserve		
<b>As at April 1, 2020</b>	48,838	(241)	60	58,298	-	-	471	9,554	116,927
Profit for the year	-	-	-	-	-	-	-	37,790	37,790
Other comprehensive income	-	-	-	-	-	-	-	13	13
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	<b>37,790</b>	<b>37,803</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	-	-	15,224	4,536	(48,901)	-	67,936	38,727
Gross compensation for options forfeited/exercised during the year	-	-	(47)	-	-	-	-	-	(47)
Stamp duty on issue of shares on merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(8)	-	-	-	-	-	-	-	(8)
Shares issued to employees on exercise of ESOP	-	54	-	-	-	-	-	-	54
Amount on account of purchase of treasury shares	-	78	-	-	-	-	-	-	78
Amount transferred to stock options outstanding during the vesting period	-	-	28	-	-	-	-	-	28
Premium on exercise of ESOPs *	-	-	-	(1)	-	-	-	-	(1)
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited	-	-	-	(1,449)	-	-	-	-	(1,449)
Amount adjusted during the year in accordance with the Indus scheme	-	-	-	-	-	-	-	(437)	(437)
Dividend on equity shares	-	-	-	-	-	-	-	(59,854)	(59,854)
Others	-	-	-	-	-	-	-	3	(3)
<b>As at March 31, 2021</b>	<b>48,830</b>	<b>(109)</b>	<b>41</b>	<b>72,072</b>	<b>4,536</b>	<b>(48,901)</b>	<b>471</b>	<b>54,992</b>	<b>131,821</b>

# Consolidated Statement of changes in Equity

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

## B. Other Equity (Contd..)

Particulars	Reserves and surplus							Other comprehensive income	Total equity	
	Securities Premium	Treasury shares	Share Based Payment reserve	General reserve	Capital reserve	Merger capital reserve	Capital redemption reserve			Retained earnings
<b>As at April 1, 2021</b>	48,830	(109)	41	72,072	4,536	(48,901)	471	54,992	(111)	131,821
Profit for the year	-	-	-	-	-	-	-	63,731	-	63,731
Other comprehensive income	-	-	-	-	-	-	-	-	36	36
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	<b>63,731</b>	<b>36</b>	<b>63,767</b>
Shares issued to employees on exercise of ESOP	-	47	-	-	-	-	-	-	-	47
Amount on account of purchase of treasury shares	-	(154)	-	-	-	-	-	-	-	(154)
Gross compensation for options exercised during the year	-	-	(33)	-	-	-	-	-	-	(33)
Amount transferred to stock options outstanding during the vesting year	-	-	90	-	-	-	-	-	-	90
Premium on exercise of ESOP's *	-	-	-	(12)	-	-	-	-	-	(12)
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement	-	-	-	(970)	-	-	-	-	-	(970)
<b>As at March 31, 2022</b>	<b>48,830</b>	<b>(216)</b>	<b>98</b>	<b>71,090</b>	<b>4,536</b>	<b>(48,901)</b>	<b>471</b>	<b>118,723</b>	<b>(75)</b>	<b>194,556</b>

\* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this year (net of forfeiture).

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366WW-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**

Partner

Membership No: 094468

**Harjeet Kohli**

Director

**Ravinder Takkar**

Director

**Bimal Dayal**

Managing Director & CEO

Place: Gurugram

Date: May 05, 2022

**Vikas Poddar**

Chief Financial Officer

**Samridhi Rodhe**

Company Secretary

# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees)

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before taxation	84,307	47,569
<b>Adjustments for</b>		
Depreciation and amortization expense	53,252	28,484
Finance income	(1,060)	(1,992)
Finance costs	16,033	8,364
Share of profit of joint venture	-	(8,663)
Profit on sale of property, plant and equipment	(2,551)	(823)
Provision for doubtful debts and advances (net)	(1,170)	(461)
Revenue equalisation reserve	(3,436)	(2,074)
Others	(1,138)	(1,237)
<b>Operating profit before changes in assets and liabilities</b>	<b>144,237</b>	<b>69,167</b>
Decrease/(Increase) in other financial assets	5,380	(3,129)
Decrease/(Increase) in other assets	2,531	(1,069)
Decrease/(Increase) in trade receivables	(30,992)	24,251
Decrease/(Increase) in other financial liabilities	(110)	(111)
Decrease/(Increase) in provisions	362	(193)
Decrease/(Increase) in other liabilities	(557)	(3,396)
Decrease/(Increase) in trade payables	(10,510)	79
<b>Cash generated from operations</b>	<b>110,341</b>	<b>85,599</b>
Income tax paid (net of refunds)	(19,129)	(10,788)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>91,212</b>	<b>74,811</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(32,851)	(21,184)
Proceeds from sale of property, plant & equipment	4,154	1,666
Investment in mutual funds	(105,535)	(98,329)
Proceeds from sale of mutual funds	111,926	131,268
Interest received	585	392
Dividend received	-	4,200
Others	(16)	(36)
<b>Net cash flow from /(used in) investing activities (B)</b>	<b>(21,737)</b>	<b>17,977</b>



# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees)

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	162,422	149,640
Repayment of borrowings	(189,144)	(133,325)
Sale/(purchase) of treasury shares	(154)	78
Sale of treasury shares	-	(37,642)
Stamp duty on issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	(8)
Dividend paid	-	(59,854)
Interest paid	(4,418)	(1,450)
Repayment of lease liabilities (including interest)	(28,522)	(11,207)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(59,816)</b>	<b>(93,768)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>9,659</b>	<b>(980)</b>
Cash and cash equivalents at the beginning of the year (net of Bank Overdraft)	143	1,121
Cash and cash equivalents pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)		2
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>9,802</b>	<b>143</b>

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**  
Partner  
Membership No: 094468

**Harjeet Kohli**  
Director

**Ravinder Takkar**  
Director

**Bimal Dayal**  
Managing Director & CEO

Place: Gurugram  
Date: May 05, 2022

**Vikas Poddar**  
Chief Financial Officer

**Samridhi Rodhe**  
Company Secretary

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 1. Corporate information

Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Indus') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited. The Registered office of the Company has been shifted from 901, Park Centra, Sector-30 NH-8, Gurugram Haryana-122001 to Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana w.e.f. August 6, 2021.

The Company, together with its wholly owned subsidiary 'Smartx Services Limited', controlled trust 'Indus Towers Employees Welfare Trust' (formerly Bharti Infratel Employees Welfare Trust) and joint venture 'erstwhile Indus Towers Limited' (ceased to exist and merged into the Company w.e.f. November 19, 2020) is hereinafter referred to as "the Group".

The Scheme of amalgamation and arrangement between the Company and erstwhile Indus Towers Limited (a joint venture company) became effective on November 19, 2020. Upon implementation of the Scheme, the Joint venture company (i.e. erstwhile Indus Towers Limited) merged into the Company on a going concern basis. Further, the name of the Company was changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020 vide Certificate of Incorporation pursuant to change of name issued by Registrar of Companies.

Upon implementation of the Scheme and allotment of shares to indirect wholly owned subsidiaries of Vodafone Group Plc., in addition to existing promoters (representing Bharti Airtel Limited along with its wholly owned subsidiary Nettle Infrastructure Investments Limited), the aforesaid indirect wholly owned subsidiaries of Vodafone Group Plc. have also been classified as promoters of the Company. During the quarter ended March 31, 2022, the shareholding of promoters has undergone a change. As on March 31, 2022, Bharti Airtel Limited along with its wholly owned

subsidiary Nettle Infrastructure Investments Limited held 46.44% shares\* and Vodafone Group Plc. through its indirect wholly owned subsidiary companies held 21.05% shares in the Company.

*\*Additionally, 11,96,285 shares representing 0.04% of share capital of the Company acquired by Nettle Infrastructure Investments Limited on March 30, 2022 has not been captured in the beneficial position as on March 31, 2022 received from the depositories, and accordingly, the same has not been considered by the Company while reporting above and in the shareholding pattern for March 31, 2022.*

The consolidated financial statements are approved for issuance by the Company's Board of Directors on May 05, 2022.

## 2. a) Statement of Compliance

The consolidated financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other relevant provisions of the Companies Act, 2013 (the Act) as amended from time to time.

## b) Basis of preparation

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## c) Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company, its subsidiary, erstwhile joint venture (ceased to exist and merged into the Company w.e.f. November 19, 2020) and its directly Controlled Trust which are as follows:

Entity	Country of Incorporation	Principal Service	Relationship	Shareholder as at March 31, 2022	Shareholder as at March 31, 2021
Erstwhile Indus Tower Limited* (till November 18, 2020)	India	Passive Infrastructure Services	Joint Venture	-	-
Smartx Services Limited	India	Optical Fiber Services	Subsidiary	100%	100%

### Details of Controlled Trust

Entity	Country of Incorporation
Indus Tower Employees Welfare Trust* (formally Infratel Employee Welfare Trust)	India

\*Refer note 1

### Accounting for Subsidiary:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiary is fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

The Group consolidates its directly controlled trust on the line by line consolidation basis and according to principles of Ind AS 110, Consolidated Financial Statements.

### Interest in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The joint venture is accounted for from the date on which Group obtains joint control over joint venture. The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, investments in joint venture are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investments. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. The Group shall discontinue the use of the equity method from the date when its investment ceases to be a joint venture.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 3. Merger of 'erstwhile Indus Towers Limited' with 'the Company'

On April 25, 2018, Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Transferee Company') and its Joint Venture Company erstwhile Indus Towers Limited ('erstwhile Indus' or 'Transferor Company') and their respective shareholders and creditors entered into a scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The Scheme has received requisite approvals from Competition Commission of India, Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited and FDI approval from Department of Telecommunications ('DoT'). The Company has also received approval from National Company Law Tribunal ('NCLT'), Chandigarh on May 31, 2019 read with the order dated October 22, 2020. Furthermore, the Company has filed the certified copy of the NCLT order with the Registrar of Companies on November 19, 2020 i.e. the effective date of merger. Upon the Scheme becoming effective the erstwhile Indus stood dissolved without being wound-up.

As a result of above scheme, Bharti Airtel group through its subsidiary i.e. Bharti Infratel Limited and Vodafone group through its joint venture i.e. erstwhile Indus Towers Limited contributed assets and liabilities to the merged entity i.e. Bharti Infratel Limited and have become promoters of the Company. Furthermore, the name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020.

In compliance with the Scheme, 845,328,704 equity shares of the Company were issued to the shareholders of erstwhile Indus which have been recorded at face value of Rs. 10 per equity share and Rs. 37,642 Mn (inclusive of 41 Mn paid after effective date of merger) was paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company. The stamp duty paid on issue of shares amounting to Rs. 8 Mn has been debited to Securities Premium Account.

As per Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, no specific accounting guidance is given in case of formation of such arrangement, hence, the Company had an option to either account for such business combination using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of erstwhile Indus have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger. The financial information in the financial statement in respect of prior periods are not restated as the business combination was not involving entities under common control.

On the date of Scheme becoming effective, the Company has combined assets, liabilities and components of other equity of the erstwhile Indus on line by line basis. Furthermore, the Company has recognised impact of alignment of accounting practices and estimates of Rs. 589 Mn through General Reserve and Rs. 123 Mn (net of tax) through the Statement of profit and loss for the year ended March 31, 2021.

### (A) The carrying balances of the erstwhile Indus which have been added to the respective line items in the Balance Sheet of the Company on the effective date of merger are as under:

Particulars	Amount as on the effective date of merger
<b>Assets</b>	
<b>Non current Assets</b>	
Property, plant and equipment	164,884
Right of use assets	82,228
Capital work-in-progress	2,429
Intangible assets	109



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	Amount as on the effective date of merger
Financial assets	
Other financial assets	9,166
Income tax assets (net)	6,432
Other non-current assets	10,061
	<b>275,309</b>
<b>Current assets</b>	
Financial assets	
Trade receivables	57,917
Cash and cash equivalents	2
Other financial assets	22,044
Other current assets	1,970
	<b>81,933</b>
<b>Total assets</b>	<b>357,241</b>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Equity share capital	1
Other equity	146,043
	<b>146,044</b>
<b>Liabilities</b>	
Non-Current liabilities	
Financial Liabilities	
Borrowings	9,101
Lease liabilities	89,007
Other financial liabilities	3,965
Provisions	11,812
Deffered tax liabilities (net)	2,216
Other non-current liabilities	1,970
	<b>118,071</b>
Current Liabilities	
Financial liabilities	
Borrowings	22,416
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	98
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,173
Lease liabilities	17,765
Other financial liabilities	17,099
Other current liabilities	7,972
Provisions	552
Current tax liabilities (net)	2,052
	<b>93,127</b>
<b>Total liabilities</b>	<b>211,198</b>
<b>Total equity and liabilities</b>	<b>357,242</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## B) The impact on other equity on the effective date of merger is as follows:

Particulars	Reserve and surplus				Other comprehensive income	Total equity
	Capital reserve	General Reserve	Merger capital reserve	Retained Earnings		
Reserves of erstwhile Indus	4,536	73,257		68,366	-116	146,043
Investment of the Company into erstwhile Indus*		-58,033	-2,807	-382		-61,222
Cash paid Vodafone Idea Limited (in lieu of cash option exercised its shareholding of 11.15% in erstwhile Indus) by company			-37,642			-37,642
Share capital of profit/(loss) in OCI of erstwhile Indus (Joint Venture) transferred to retained earnings				-48	-48	
Share capital of erstwhile Indus less share capital issue by the Company			-8,452			-8,452
<b>Total</b>	<b>4,536</b>	<b>15,224</b>	<b>-48,901</b>	<b>67,936</b>	<b>-68</b>	<b>38,727</b>

\* During the year ended March 31, 2014, under the Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to erstwhile Indus was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and had become part of erstwhile Indus. The Company was carrying investment in BIVL at Rs. 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in erstwhile Indus in lieu of transfer of its investment in BIVL to erstwhile Indus and recorded these additional shares at their fair value of Rs. 60,419 Mn in accordance with the scheme. The resultant gain of Rs. 382 Mn (net of taxes Rs. 116 Mn) has been disclosed as adjustment to carry forward balance of the Statement of Profit and Loss as at April 1, 2009.

The merger of erstwhile Indus with the Company has been accounted as per 'Pooling of interest' method according to which the identity of the reserves (of the transferor) shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Consequently, all the reserves of the transferor (erstwhile Indus) has been recorded at their respective book values and their identity has been preserved.

Upon the merger becoming effective, the investment in Joint Venture (erstwhile Indus) has been cancelled by debiting the General Reserve to the extent available (i.e. Rs. 58,033 Mn) in the books of the Transferee Company, which was created out of the "BAL Scheme" (refer Note 42(a) for details of BAL scheme). There is no restriction for making adjustment to the reserves in

the books of the transferee, and in accordance with the BAL scheme, such "General Reserve shall constitute free reserve available for all purposes of the Company and to be utilised by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company". Further, earlier recognised gain of Rs. 382 Mn and deferred tax liability of Rs. 116 Mn have been reversed and the balance amount of investment in joint venture i.e. Rs. 2,807 Mn has been debited to the merger Capital Reserve on account of cancellation of such investment.

In addition to above, difference between share capital of erstwhile Indus of Rs. 1 Mn and shares issued by the Company of Rs. 8,453 Mn and cash paid of Rs. 37,642 Mn to the shareholders of the erstwhile Indus have resulted into debit balance of Merger Capital Reserve.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 4. Significant accounting policies, judgements, estimates and assumptions

### 4.1. Significant accounting policies

#### a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4.2 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

Particulars	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant and Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life whichever is less

The existing useful lives and residual value of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing residual values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

#### b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Acquired telecom license is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised over the unexpired period of license.

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 Consolidated Statement of Profit and Loss when the asset is derecognised.

## c) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

## d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated 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 or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is current when:



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

- 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.

Current liabilities include the current portion of long-term liabilities. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## e) Leases

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

### Group as a Lessee

The Group recognizes right-of-use asset (ROU) representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses,

if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the consolidated statement of profit and loss.

The Group may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Group has opted to recognize the asset retirement obligation liability as part of the cost of an item of property, plant and equipment in accordance with Ind AS 16.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## Group as a Lessor

At the inception date, leases are classified as a finance lease or an operating lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Groups net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

## f) Share-based payments

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in Consolidated Statement of Profit and Loss.

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted,

based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

## g) Cash and Cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Groups cash management are included as a component of cash and cash equivalents for the purpose of the consolidated Statement of Cash Flows.

## h) Treasury shares

The Group has formed Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust), for administration of ESOP Schemes of the Group. The Trust bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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Own equity instruments (“treasury shares”) which are reacquired through Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust) are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the general reserve and gain or loss, if sold, is recognised in treasury shares. Share options exercised during the reporting period are satisfied with treasury shares.

## i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt Instruments at Amortised Cost

This category applies to the Group’s trade receivables, unbilled revenue, security deposits.

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

#### Debt instrument at fair value through other comprehensive income (FVTOCI)

A ‘debt instrument’ is classified at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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The Group has classified Investment in tax free bonds within this category.

## Debt instrument at fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss. This category applies to the Group investment in government securities, mutual funds, taxable bonds and non-convertible debentures.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as FVTPL.

## Equity investments

All equity investments in scope of Ind AS 109, "Financial Instruments" are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103, Business combinations applies are classified as at fair value through Profit or loss. Further, there is no such equity investments measured at Fair value through profit or loss or fair value through other comprehensive income in the Group.

## De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows

in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## Impairment of Financial Assets

In accordance with Ind AS 109, Financial instruments the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

## Financial Liabilities

### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, trade and other payables, security deposits, lease liabilities etc.

## Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through Profit and Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109, Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to the Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

### Financial Liabilities at Amortised Cost

This category includes security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

## De-recognition

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

## Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest

## Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## j) Revenue Recognition

The Group earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

# Notes to Consolidated Financial Statements

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Revenue is recognized when the Group satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

## Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Group has ascertained that the lease payments received are straight lined over the period of the contract.

Exit Charges on site exit and equipment de-loading is recognised when uncertainty relating to such exit and de-loading is resolved and it is probable that a significant reversal relating to recoverability of these charges will not occur.

Interest on delayed payment from operators is recognized as income when uncertainty relating to amount receivable is resolved and it is probable that a significant reversal relating to this amount will not occur.

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized for the services rendered for the period falling after the last invoice raised to customer till the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Group collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

## Use of significant judgements in revenue recognition

The Group's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

In evaluating whether a significant revenue reversal will not occur, the Group considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Group with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Group provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Group is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

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There is no additional impact of SLA penalty as the Group already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Determination of standalone selling price does not involve significant judgement for the Group. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

## Dividend Income

Dividend Income is recognized when the right to receive payment is established, which is generally on the date when shareholders approve the dividend in case of final dividend and approval by Board of Directors in case of interim dividend.

## k) Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in the Consolidated Statement of Profit and Loss. Interest income is recognised as it accrues in the Consolidated Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

## l) Other Income

Other income includes dividend income, interest on income tax refund, gain on sale of property, plant and equipment etc. Any gain or loss arising on derecognition of property,

plant and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

## m) Finance Cost

Finance costs comprise Borrowing cost, interest expense on lease obligations, accretion of interest on site restoration obligation and security deposits received.

## n) Income 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 other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

### 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 Group's income tax obligation for the period are recognised in the balance sheet as current income tax assets / 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 management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The tax expense on dividends are linked directly to past transactions or events that generated distributable profits than to distribution to owners, Therefore, The Group shall recognise the income tax on dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

### Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or

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liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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 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 related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

## o) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Group. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## p) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered. All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences and bonus etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service. A liability is recognised for the amount

expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group post-employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Group contributions to defined contribution plans are recognized in the Consolidated Statement of Profit and Loss when the related services have been rendered. The Group has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees (including contractual employees as per their terms of contract) at retirement or termination of employment based on respective employee salary and years of experience with the Group.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out half yearly by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of the Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the consolidated balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of consolidated Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit



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plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the consolidated Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Group does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs

The amount charged to the Consolidated Statement of Profit and Loss in respect of these plans is included within operating costs.

## q) Provision

### (i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate

asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

### (ii) Contingent assets/liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### (iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is

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expensed as incurred and recognized in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

## r) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to the ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period excluding shares purchased by the Group and held as treasury shares.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period excluding shares purchased by the Group and held as treasury shares plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## s) Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurements. Other fair value related disclosures are given in the relevant notes.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## t) Foreign Currency

### Functional and presentation currency

The Group financial statements are presented in Indian Rupees ('INR' or 'Rs.'), which is also the Group's functional currency. Presentation currency is the currency in which the financial statement of the group is presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

### Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

## u) Share capital

### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

## v) Non-GAAP measure of financial performance

Profit before depreciation and amortization, finance cost, finance income, charity and donation, share of profit of joint venture and tax is an important measure of financial performance relevant to the users of financial statements and stakeholders of the Group. Hence, the Group presents the same as an additional line item on the face of the Statement of Profit and Loss considering such presentation is relevant for understanding of the Group's financial position and performance.

## 4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### a) Leases

##### Group as lessor

The Group has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Group, that such contracts are in the nature of operating lease and has accounted for as such.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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Lease rentals under operating leases are recognised as income on straight line basis over the lease term.

## Group as lessee

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics.

## Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### (b) Impairment of non-financial assets

The carrying amounts of the Group non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether

there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ('CGU').

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and is recognised in the Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognized in the consolidated statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation increase.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## (c) Property, plant and equipment

Refer Note 4.1(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the year ended March 31, 2021, the Company had revised the useful life of civil work included in Plant and machinery from 15 years to 20 years with effect from December 1, 2020. Set out below is impact of such change on future period depreciation:

Particulars	Year ended March 31, 2021	Year ended March 31, 2022
Decrease in Depreciation	405	1,043

Further, the Company had also reassessed useful life from 15 years to 20 years and estimate of dismantling obligation for Asset retirement obligation w.e.f. December 1, 2020 and has taken the credit of Rs. 184 Mn in the Statement of Profit and Loss for the year ended March 31, 2021.

## (d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience.

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 180/90 days past due from related parties and 90 days past due from other customers. 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.

## (e) Asset Retirement obligation

The Group uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

## (f) Share based payment

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

## (g) Fair value measurement of financial instrument

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## 4.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendment specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 5 (a) Property plant and equipment, Capital work-in-progress and Intangible assets

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer software	License fee	Intangible assets Total	Capital work-in-progress
<b>Cost or valuation</b>											
<b>As at April 1, 2020</b>	<b>2</b>	<b>150,730</b>	<b>253</b>	<b>3</b>	<b>923</b>	<b>357</b>	<b>152,268</b>	<b>663</b>	<b>28</b>	<b>691</b>	<b>546</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	2	393,140	528	-	944	815	395,429	2,078	-	2,078	2,429
Additions	-	22,716	9	-	54	23	22,802	8	-	8	22,547
Disposals/adjustments	-	(7,595)	(6)	(3)	(53)	-	(7,657)	(3)	-	(3)	(22,786)
<b>As at March 31, 2021</b>	<b>4</b>	<b>558,991</b>	<b>784</b>	<b>-</b>	<b>1,868</b>	<b>1,195</b>	<b>562,842</b>	<b>2,746</b>	<b>28</b>	<b>2,774</b>	<b>2,736</b>
Additions	-	29,628	2	-	94	7	29,731	505	-	505	28,695
Disposals/adjustments	-	(20,703)	(58)	-	(76)	(89)	(20,926)	-	-	-	(29,644)
<b>As at March 31, 2022</b>	<b>4</b>	<b>567,916</b>	<b>728</b>	<b>-</b>	<b>1,886</b>	<b>1,113</b>	<b>571,647</b>	<b>3,251</b>	<b>28</b>	<b>3,279</b>	<b>1,787</b>
<b>Accumulated depreciation/ amortisation</b>											
<b>As at April 1, 2020</b>	<b>-</b>	<b>100,142</b>	<b>230</b>	<b>1</b>	<b>901</b>	<b>292</b>	<b>101,566</b>	<b>567</b>	<b>4</b>	<b>571</b>	<b>-</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	228,460	490	-	812	783	230,545	1,969	-	1,969	-
Charge for the year	-	21,656	21	-	75	20	21,772	160	1	161	-
Disposals/adjustments	-	(6,800)	(7)	(1)	(53)	1	(6,860)	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>343,458</b>	<b>734</b>	<b>-</b>	<b>1,735</b>	<b>1,096</b>	<b>347,023</b>	<b>2,696</b>	<b>5</b>	<b>2,701</b>	<b>-</b>
Charge for the year	-	34,940	12	-	115	50	35,117	225	1	226	-
Disposals/adjustments	-	(18,995)	(44)	-	(74)	(79)	(19,192)	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>359,403</b>	<b>702</b>	<b>-</b>	<b>1,776</b>	<b>1,067</b>	<b>362,948</b>	<b>2,921</b>	<b>6</b>	<b>2,927</b>	<b>-</b>
<b>As at March 31, 2021</b>	<b>4</b>	<b>215,533</b>	<b>50</b>	<b>-</b>	<b>133</b>	<b>99</b>	<b>215,819</b>	<b>50</b>	<b>23</b>	<b>73</b>	<b>2,736</b>
<b>As at March 31, 2022</b>	<b>4</b>	<b>208,513</b>	<b>26</b>	<b>-</b>	<b>110</b>	<b>46</b>	<b>208,699</b>	<b>330</b>	<b>22</b>	<b>352</b>	<b>1,787</b>

During the year ended March 31, 2021, the lenders have a first charge on pari-passu basis by way of hypothecation of the Company's entire plant and equipments, including tower assets, related equipment and spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future. The security interest ranks pari-passu amongst all secured lenders. However, there is no charge on such assets as at March 31, 2022.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 5 (a) Property plant and equipment, Capital work-in-progress and Intangible assets (Contd..)

- (i) Plant and equipment comprise of assets given on operating lease.
- (ii) Depreciation charge for the year includes Rs. 1,767 Mn (FY 2020-21 - Rs. 1,078 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.
- (iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are raised by the Company.
- (iv) Capital work-in-progress (CWIP) ageing schedule:

### As at March 31, 2022

CWIP	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	1,691	2	-	10	1,703
Projects temporarily suspended	84	-	-	-	84
<b>Total</b>	<b>1,775</b>	<b>2</b>	<b>-</b>	<b>10</b>	<b>1,787</b>

### As at March 31, 2021

CWIP	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	2,343	57	75	83	2,558
Projects temporarily suspended	178	-	-	-	178
<b>Total</b>	<b>2,521</b>	<b>57</b>	<b>75</b>	<b>83</b>	<b>2,736</b>

Further, there are no material capital-work-in progress for the which the completion is overdue or has exceeded its cost compared to its original budget.

## 5 (b) Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	<b>102,110</b>	<b>16,319</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)		82,228
Additions for the year	31,523	16,777
Disposals for the year	(5,545)	(5,234)
Depreciation for the year	(18,878)	(7,980)
<b>Balance at the end of the year</b>	<b>109,210</b>	<b>102,110</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 6 Investment (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at fair value through profit or loss</b>		
Mutual funds (quoted)	13,653	19,773
Government securities (quoted)	2,868	2,941
<b>Total</b>	<b>16,521</b>	<b>22,714</b>

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted Investments (cost)	16,540	19,902
Aggregate market value of quoted Investments	16,521	22,714

### Non-Current Investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Axis Liquid Fund - Growth (CFGPG)	-	-	1,251,982	2,845
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	1,513,826	3,559
DSP Liquid Fund-Regular-Plan-Growth	-	-	1,038,845	3,033
L& T Liquid - Growth	-	-	784,834	2,202
Tata Liquid Fund Regular Plan-Growth	-	-	687,670	2,218
UTI - Liquid Cash Plan - Institutional Growth	-	-	404,787	1,357
	-	-	<b>5,681,944</b>	<b>15,214</b>
<b>Reclassified to current investments</b>	-	-	<b>(5,681,944)</b>	<b>(15,214)</b>
<b>Total</b>	-	-	-	-

### Current Investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Axis Liquid Fund - Direct Growth	1,163,479	2,751	-	-
Aditya Birla Sun Life Money Manager Fund - Growth- Regular Plan	-	-	2,995,937	854
Aditya Birla Liquid Fund - Growth - Direct	8,016,068	2,751	-	-
HDFC Liquid - DP - Growth Option	657,284	2,751	-	-
HSBC Cash Fund	-	-	1,817,400	3,705
Nippon India Overnight Fund - Direct Growth Plan	23,228,111	2,650	-	-
Tata Liquid Fund Direct Plan - Growth	818,508	2,750	-	-
	<b>33,883,450</b>	<b>13,653</b>	<b>4,813,337</b>	<b>4,559</b>
<b>Reclassified from non-current investments</b>	-	-	<b>5,681,944</b>	<b>15,214</b>
<b>Total</b>	<b>33,883,450</b>	<b>13,653</b>	<b>10,495,281</b>	<b>19,773</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 6 Investment (Current) (Contd..)

Details of investments in government securities are provided below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	27,500,000	2,868	27,500,000	2,941
<b>Total</b>	<b>27,500,000</b>	<b>2,868</b>	<b>27,500,000</b>	<b>2,941</b>

## 7 Other financial assets (Non-current)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Security deposit</b>		
Unsecured, considered good	10,778	10,317
Unsecured, considered doubtful	1,106	1,117
Less :- Provisions	(1,106)	(1,117)
	<b>10,778</b>	<b>10,317</b>
Fixed deposits for more than one year #	234	216
<b>Total</b>	<b>11,012</b>	<b>10,533</b>

#Represents margin money against various guarantees issued by banks on behalf of the Group and fixed deposits which have been marked lien to government/local authorities. These deposits are not available for use by the Group as the same are in the nature of restricted cash.

### Other financial assets (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled revenue*	23,321	29,055
Interest accrued on investments and deposits	414	467
Other Recoverable#	20	37
<b>Total</b>	<b>23,755</b>	<b>29,559</b>

\* 'Unbilled revenue' includes amount pertaining to related parties amounting to Rs. 21,610 Mn as at March 31, 2022 (March 31, 2021 - Rs. 25,953 Mn). For details refer note 39.

# 'Other recoverable' is net of provision of Rs. 6 Mn (March 31, 2021 - Rs. 12 Mn).

## 8 Taxes

### a) Income tax expense

#### i. Profit and loss

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Current tax	20,373	9,852
Deferred tax	203	(73)
<b>Income tax expense</b>	<b>20,576</b>	<b>9,779</b>

Current tax expense includes reversal of tax charge of Rs. 70 Mn (March 31, 2021 : Rs. 10 Mn (tax charge)) and deferred tax expense includes tax expense reversal of Rs. Nil (March 31, 2021 : Rs. 16 Mn), respectively relating to earlier periods.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 8 Taxes (Contd..)

### ii. Other Comprehensive Income

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Deferred tax on re-measurements of defined benefits plan	12	7
<b>Income tax charged to other comprehensive income</b>	<b>12</b>	<b>7</b>

### b) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Net income before taxes	84,307	47,569
Enacted tax rate in India	25.168%	25.168%
<b>Computed tax expense</b>	<b>21,218</b>	<b>11,972</b>
<b>Increase/(reduction) in taxes on account of:</b>		
Share of (profit)/losses in joint ventures	-	(2,180)
Tax effect of long-term MTM loss/(gain) on non-current investment	10	-
Tax effect of long term capital loss/(gain) on sale of non-current investment	(668)	(277)
Tax effect of disallowance on account of donation	106	140
Others	(90)	124
<b>Income tax expense recorded in the statement of profit and loss</b>	<b>20,576</b>	<b>9,779</b>

The applicable Indian statutory tax rate for financial year 2021-22 and 2020-21 is 25.168%.

### c) Deferred tax liabilities/(assets)

The components that gave rise to deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability in relation to:</b>		
Right of use assets	27,293	25,694
Property, plant and equipment and intangible asset (excluding ARO)	7,262	7,091
Investment carried at Fair value through profit or loss/ OCI	-	701
Security deposit received measured at amortised cost	72	81
Revenue equalisation reserve	3,288	2,424
Others	-	30
<b>Total deferred tax liabilities</b>	<b>37,915</b>	<b>36,021</b>
<b>Deferred Tax Assets in relation to:</b>		
Lease Liabilities	34,664	32,814
Asset retirement obligation	92	28
Investment carried at fair value through profit or loss/ OCI	2	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 8 Taxes (Contd..)

### c) Deferred tax liabilities/(assets) (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Long term capital loss carried forward	-	174
Provision for doubtful debts and advance	1,206	1,520
Security deposit paid measured at amortised cost	360	259
Provision for employee benefits	548	437
Employee Stock option plans	86	86
Others	39	-
<b>Total deferred tax assets</b>	<b>36,997</b>	<b>35,318</b>
<b>Net deferred tax liabilities/(asset)</b>	<b>918</b>	<b>703</b>

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The reconciliation of net deferred tax liability/ (asset) is follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	703	(1,331)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	2,100
Tax expense during the year recognised in Consolidated Statement of profit and loss and OCI	215	(66)
<b>Closing balance</b>	<b>918</b>	<b>703</b>

## 9 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital advances</b>		
Unsecured, considered good	25	3
	<b>25</b>	<b>3</b>
<b>Others*</b>		
Unsecured, considered good	6,061	5,476
Unsecured, considered doubtful	1,069	1,069
Less - provision	(1,069)	(1,069)
	<b>6,061</b>	<b>5,476</b>
Deferred lease - security deposit	-	-
Revenue Equalisation Reserve	12,532	9,107
Other taxes recoverable	41	-
<b>Total</b>	<b>18,659</b>	<b>14,586</b>

\*Others\* comprise of payments made under protest to the government authorities. For details, refer note 36(b).



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 10 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, considered good	-	20,709
Unsecured, considered good	70,586	17,576
Significant increase in credit risk	3,683	4,850
Credit Impaired	-	-
Less: Allowance for doubtful receivables	(3,683)	(4,850)
<b>Total</b>	<b>70,586</b>	<b>38,285</b>

Trade receivables are non-interest bearing and due after 15 /45 days from the date of invoice. Trade receivables also includes amount outstanding from related parties, for details, refer note 39.

During the quarter ended March 31, 2022, the Company has settled its reconciliation issues related to trade receivables up to December 31, 2021 with its large customers. Upon such settlement, the Company has adjusted its provisions and impact has been taken in the books of accounts. Further, in accordance with its accounting policy, the Company has deferred recognition of revenue arising out of such settlements wherever there is an uncertainty involved with respect to ultimate collection. The Company continues to create provisions w.e.f. January 01, 2022 based on its best estimates and judgements.

### Trade Receivables ageing schedule:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	30,676	38,645	330	659	54	222	70,586
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1,699	790	1,039	129	26	3,683
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 10 Trade receivables (Contd..)

### Trade Receivables ageing schedule: (Contd..)

As at March 31, 2022 (Contd..)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>30,676</b>	<b>40,344</b>	<b>1,120</b>	<b>1,698</b>	<b>183</b>	<b>248</b>	<b>74,269</b>
Less: Allowance for doubtful receivables							(3,683)
<b>Total</b>	<b>30,676</b>	<b>40,344</b>	<b>1,120</b>	<b>1,698</b>	<b>183</b>	<b>248</b>	<b>70,586</b>

### Trade Receivables ageing schedule

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	11,171	24,137	1,816	810	296	55	38,285
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	896	2,587	1,204	62	101	4,850
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>11,171</b>	<b>25,033</b>	<b>4,403</b>	<b>2,014</b>	<b>358</b>	<b>156</b>	<b>43,135</b>
Less: Allowance for doubtful receivables							(4,850)
<b>Total</b>	<b>11,171</b>	<b>25,033</b>	<b>4,403</b>	<b>2,014</b>	<b>358</b>	<b>156</b>	<b>38,285</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 11 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance with banks</b>		
On current accounts	3,798	144
Deposits with original maturity of less than three months	6,004	1
<b>Total</b>	<b>9,802</b>	<b>145</b>

For the purpose of the Cash flow statement, cash and cash equivalents comprise of following:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents as per balance sheet	9,802	145
Bank Overdraft	-	(2)
<b>Total</b>	<b>9,802</b>	<b>143</b>

## Reconciliation of Cash Flow from financing activities for the year ended March 31, 2022

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Treasury shares	Cash flow on account of merger <sup>#</sup> (refer note 3)	Total
<b>As at April 1, 2021 (A)</b>	<b>134,119</b>	<b>81,639</b>	-	<b>502</b>	<b>(109)</b>	-	<b>216,151</b>
<b>Cash activities</b>							
- Payments	(28,522)	(189,144)	-	(4,418)	(154)	-	(222,238)
- Proceeds	-	162,422	-	-	-	-	162,422
<b>Total cash activities (B)</b>	<b>(28,522)</b>	<b>(26,722)</b>	-	<b>(4,418)</b>	<b>(154)</b>	-	<b>(59,816)</b>
<b>Non cash activities</b>							
- Accrued	10,922	-	-	4,036	-	-	14,958
- Additions (net of terminations)	25,873	-	-	-	-	-	25,873
- Others	-	(49)	-	-	47	-	(2)
<b>Total non cash activities (C)</b>	<b>36,796</b>	<b>(49)</b>	-	<b>4,036</b>	<b>47</b>	-	<b>40,830</b>
<b>Balance as at March 31, 2022 (A+B+C)</b>	<b>142,392</b>	<b>54,868</b>	-	<b>120</b>	<b>(216)</b>	-	<b>197,164</b>

\* 'Borrowings' include long term borrowings and short term borrowings

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 11 Cash and cash equivalents (Contd..)

### Reconciliation of Cash Flow from financing activities for the year ended March 31, 2021

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Treasury shares	Cash flow on account of merger <sup>#</sup> (refer note 3)	Total
<b>As at April 1, 2020 (A)</b>	<b>22,088</b>	<b>23,853</b>	-	<b>55</b>	<b>(241)</b>	-	<b>45,755</b>
<b>Cash activities</b>							
- Payments	(11,207)	(133,325)	(59,854)	(1,450)	(25)	(37,650)	(195,491)
- Proceeds	-	149,640	-	-	103	-	149,743
<b>Total cash activities (B)</b>	<b>(11,207)</b>	<b>16,315</b>	<b>(59,854)</b>	<b>(1,450)</b>	<b>78</b>	<b>(37,650)</b>	<b>(45,748)</b>
<b>Non cash activities</b>							
- Accrued	4,991	-	59,854	2,416	-	-	19,241
- Additions (net of terminations)	11,475	-	-	-	-	-	11,475
- Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	106,772	41,367	-	-	-	37,650	185,789
- Others	-	104	-	(519)	54	-	(361)
<b>Total non cash activities (C)</b>	<b>123,238</b>	<b>41,471</b>	<b>59,854</b>	<b>1,897</b>	<b>54</b>	<b>37,650</b>	<b>216,144</b>
<b>Balance as at March 31, 2021 (A+B+C)</b>	<b>134,119</b>	<b>81,639</b>	-	<b>502</b>	<b>(109)</b>	-	<b>216,151</b>

\* 'Borrowings' include long term borrowings and short term borrowings

<sup>#</sup>Payment of Rs 37,642 Mn were made to Vodafone Idea Ltd. and Stamp duty of Rs. 8 Mn paid on account of issue of new equity shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)

## 12 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to supplier	1,112	2,839
Other taxes recoverable	513	2,090
Prepaid expenses	280	137
Revenue equalisation reserve	532	521
Others	12	8
<b>Total</b>	<b>2,449</b>	<b>5,595</b>

'Advance to supplier' is net of provision of Rs. 158 Mn (March 31, 2021 - Rs. 138 Mn). 'Other taxes recoverable' is net of provision of Rs. 17 Mn (March 31, 2021 - Rs. 14 Mn)



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 13 Share capital

### a. Equity share capital:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized Shares</b>		
3,550,000,000 equity shares of Rs. 10 each (3,550,000,000 equity shares as at March 31, 2021)	35,500	35,500
<b>Issued, subscribed and fully paid-up shares</b>		
2,694,936,950 equity shares of Rs. 10 each fully paid-up (March 31, 2021 : 2,694,936,950 equity shares)	26,949	26,949
<b>Total</b>	<b>26,949</b>	<b>26,949</b>

### b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The Board of Directors of the Company in its meeting held today i.e. May 05, 2022 has declared an interim dividend of Rs. 11/- per equity share (face value of Rs. 10/- each) for the financial year 2021-22.

Particulars	Dividend w.r.t. financial year	Interim / final dividend	Date of board meeting in which dividend is declared	Rate of dividend per equity share of Rs. 10 each (in Rs.)	Total dividend amount (Rs. in Mn)
Year ended March 31, 2021	FY 2019-20	3rd Interim	23-Apr-20	4.10	7,583
	FY 2020-21	1st Interim	27-Jul-20	2.30	4,254
	FY 2020-21	2nd Interim	28-Jan-21	17.82	48,023
		<b>Total</b>		<b>24.22</b>	<b>59,860</b>

### c. Shares held by Promoters/Parent Company:

Promoter name	No. of Shares		% of total shares		% Change during the year
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
<b>Equity shares of Rs. 10 each fully paid Promoters w.e.f. November 19, 2020</b>					
Bharti Airtel Limited (Parent Company till November 18, 2020)*	672,102,530	620,898,728	24.94%	23.04%	1.90%
Nettle Infrastructure Investments Limited (Fellow Subsidiary till Nov 18, 2020)*	579,530,375	503,628,998	21.50%	18.69%	2.82%
Omega Telecom Holdings Private Limited <sup>#</sup>	62,180,258	62,180,258	2.31%	2.31%	0.00%
Euro Pacific Securities Ltd <sup>#</sup>	13,790,472	204,448,241	0.51%	7.59%	-7.07%

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 13 Share capital

### c. Shares held by Promoters/Parent Company: (Contd..)

Promoter name	No. of Shares		% of total shares		% Change during the year
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Vodafone Telecommunications (India) Limited #	83,280,998	83,280,998	3.09%	3.09%	0.00%
Trans Crystal Ltd #	74,891,274	74,891,274	2.78%	2.78%	0.00%
Mobilvest #	85,894,365	85,894,365	3.19%	3.19%	0.00%
Prime Metals Ltd #	112,055,285	112,055,285	4.16%	4.16%	0.00%
CCII (Mauritius), Inc. #	22,873,771	22,873,771	0.85%	0.85%	0.00%
Asian Telecommunication Investments (Mauritius) Ltd #	50,255,070	50,255,070	1.86%	1.86%	0.00%
Al-Amin Investments Ltd #	41,639,742	41,639,742	1.55%	1.55%	0.00%
Usha Martin Telematics Limited #	20,302,800	20,302,800	0.75%	0.75%	0.00%
<b>Total</b>	<b>1,818,796,940</b>	<b>1,882,349,530</b>	<b>67.49%</b>	<b>69.85%</b>	<b>-2.36%</b>

#Bharti Airtel Limited along with its wholly owned subsidiary holds 46.44% shares as on March 31, 2022 (March 31, 2021 - 41.73%).

Nettle Infrastructure Investments Limited (Nettle) acquired 1,196,285 (0.04%) equity shares of the Company on March 30, 2022 and consequently, the total shareholding of Nettle in the Company as on March 31, 2022 has been increased to 580,726,660 (21.55%) as reported by the Nettle under Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The said acquisition of shares by Nettle has not been captured in the beneficial position received from the depositories, and accordingly, the same is not considered by the Company while reporting above and in the shareholding pattern for March 31, 2022 filed by the Company with the stock exchanges.

# Vodafone Group Plc. through its indirect wholly owned subsidiary companies holds 21.05% shares as on March 31, 2022 (March 31, 2021 - 28.12%).

### d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% Holding	No of Shares	% Holding
Bharti Airtel Limited	672,102,530	24.94%	620,898,728	23.04%
Nettle Infrastructure Investments Limited	579,530,375	21.50%	503,628,998	18.69%
Euro Pacific Securities Ltd	13,790,472	0.51%	204,448,241	0.08%
<b>Total</b>	<b>1,265,423,377</b>	<b>46.96%</b>	<b>1,328,975,967</b>	<b>49.31%</b>

### e. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2017, the Company brought back 47,058,824 equity shares of Rs. 10 each by way of tender offer through stock exchange mechanism for cash at price of Rs. 425 per equity share.

### f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 14 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	48,830	48,830
Share Based Payment reserve	98	41
Capital redemption reserve	471	471
Capital reserve	4,536	4,536
Merger Capital Reserve	(48,901)	(48,901)
Treasury Shares	(216)	(109)
General Reserve	71,090	72,072
Retained earnings	1,18,723	54,992
Other comprehensive income	(75)	(111)
<b>Total</b>	<b>1,94,556</b>	<b>1,31,821</b>

### (i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### (ii) Share Based Payment reserve

This relates to share options granted by the Company to its employees under its employee share options plan.

### (iii) Capital redemption reserve

Capital redemption reserve was created on buy back of shares. A company may issue fully paid up bonus shares to its members out of Capital redemption reserve account.

### (iv) Capital reserve

Capital reserve has arisen out of slump purchase of assets (Refer note 42(c)).

### (v) Merger Capital Reserve

Merger Capital Reserve was created on account of merger of the Company with erstwhile Indus Towers Limited. (Refer Note 3)

### (vi) General Reserve

“General reserve was created out of Composite Scheme of arrangement with Bharti Airtel Limited. Pursuant to the merger of Joint Venture Company (i.e. erstwhile Indus Towers Limited) with the Company, the investment in Joint Venture Company has been cancelled by debiting the General Reserve to the extent available under the said Scheme (refer Note 3 and 42(a)).

Further, pursuant to the merger of erstwhile Indus Towers Limited with the Company, General reserve of erstwhile Indus Towers Limited was transferred to the Company which was created out on account of Scheme of Arrangement (Indus Scheme) in erstwhile Indus Towers Limited. The General Reserve account shall be treated as free reserve for all intents and purposes (refer Note 3 and 42(b))

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 15 Long term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Term loans from banks*	-	1,667
<b>Unsecured</b>		
Term loans from banks*	45,677	25,322
	<b>45,677</b>	<b>26,989</b>
<b>Current maturities of long-term borrowing (refer note 20)</b>	<b>(21,938)</b>	<b>(11,938)</b>
<b>Total</b>	<b>23,739</b>	<b>15,051</b>

\* Rs. 21 Mn (FY 2020-21 : 23 Mn) has been adjusted towards unamortized upfront fee on borrowings.

The company does not have any secured borrowings as at March 31, 2022. However the below disclosures relating to registration of charges and terms & conditions pertains to secured borrowing as at March 31, 2021.

### Registration of charges

The Group has entered into borrowing arrangements with several lenders under rupee term loan agreements. The security interest set out below ranks pari-passu amongst all secured lenders.

### The terms and conditions of all the long-term borrowings are similar and are as follows:

- A first charge on pari-passu basis by way of hypothecation of the Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
- A charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding Rs. 10,000 Mn (amount in absolute figures) including funded facilities; and
- A first charge on pari-passu over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

**Weighted average effective cost of debt as at March 31, 2022 is 5.60% per annum (March 31, 2021 : 6.05% per annum) on term loans from banks.**

### Repayment of loan

#### (i) Loan outstanding Rs. 2,916 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 7,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from August 2020.

#### (ii) Loan outstanding Rs. 1,250 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 3,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from September 2020.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 16 Lease liabilities (Contd..)

### (iii) Loan outstanding Rs. 8,907 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 17,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from December 2020.

### (iv) Loan outstanding Rs. 2,000 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 3,000 Mn availed from bank in 12 equated quarterly instalments which will commence from April 2021.

### (v) Loan outstanding Rs. 7,500 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 10,000 Mn availed from bank in 12 equated quarterly instalments which will commence from September 2021.

### (vi) Loan outstanding Rs. 6,250 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 7,500 Mn availed from bank in 12 equated quarterly instalments which will commence from December 2021.

### (vii) Loan outstanding Rs. 6,875 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 7,500 Mn availed from bank in 12 equated quarterly instalments which will commence from January 2022.

### (viii) Loan outstanding Rs. 10,000 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 10,000 Mn availed from bank in 12 equated quarterly instalments which will commence from June 2022.

For all the above loans, the Company may voluntarily prepay all or any portion of the disbursed loans based on certain specified clauses and subject to the conditions laid out in the loan agreement.

The borrowings were used for the purpose for which they were taken from the banks and financial institutions.

## 16 Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance as at the beginning of the year</b>	<b>134,119</b>	<b>22,088</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)		106,772
Additions during the year	32,347	17,069
Deletions during the year	(6,474)	(5,594)
Interest accrued during the year	10,922	4,991
Payment of lease liabilities during the year	(28,522)	(11,207)
<b>Balance as at the end of the year</b>	<b>142,392</b>	<b>134,119</b>
Current	21,515	21,792
Non-current	120,877	112,327

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 17 Other financial liabilities , non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	5,708	5,236
<b>Total</b>	<b>5,708</b>	<b>5,236</b>

The above security deposit is the fair value of total security deposit at transaction value for Rs. 7,385 Mn as at March 31, 2022 (March 31, 2021 : Rs. 7,371 Mn)

'Security deposits' includes transaction value of Rs. 3,120 Mn (March 31, 2021 : Rs. 3,120 Mn) towards amounts received from related parties. For details, refer note 39.

## 18 Provisions, non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Asset retirement obligation (ARO)*	16,254	14,982
Gratuity (refer note 33)	895	637
Long-term service award	49	47
<b>Total</b>	<b>17,198</b>	<b>15,666</b>

\* The Group uses various premises on lease to install plant and equipment. Provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	<b>14,982</b>	<b>2,805</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	11,398
Provision added during the year	301	366
Provision utilised/adjusted during the year	(202)	(129)
Unwinding of discount	1,173	542
<b>Closing Balance</b>	<b>16,254</b>	<b>14,982</b>

### Provisions current

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (refer note 33)	86	71
Leave encashment	449	410
<b>Total</b>	<b>535</b>	<b>481</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 19 Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred operating lease revenue	893	1,344
Unearned revenue (refer note 39)	569	824
Liability for cash settled option (refer note 34)	-	10
<b>Total</b>	<b>1,462</b>	<b>2,178</b>

## 20 Short term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
Bank overdraft*	-	2
Commercial Paper**	8,971	17,647
Short term loans***	220	36,655
Loans from related parties# (refer note 39)	-	348
Current maturities of long term borrowings (refer note 15)	21,938	11,938
<b>Total</b>	<b>31,129</b>	<b>66,590</b>

\*During the year ended March 31, 2021, the bank overdraft was repayable on demand and carried interest rate of 9.00% per annum.

\*\*The Commercial paper have been issued to banks and financial institutions and carries interest rate of 4.07% (March 31, 2021 : 3.85%) per annum.

\*\*\*The short term loans have been taken from banks and financial institutions and carries effective interest rate of 7.44% (March 31, 2021 : 4.28% to 7.98%) per annum.

# Pursuant to "Indus Scheme" of merger of erstwhile Indus Towers Limited, loan is repayable to related party along with interest in the event of refund/settlement of advance tax/self assessment tax for the assessment Year 2012-13. For details, refer note 42(b). The loan has been repaid during the year.

## 21 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises*	522	374
- Total outstanding dues other than micro enterprises and small enterprises	20,771	32,214
<b>Total</b>	<b>21,293</b>	<b>32,588</b>

\*Also include outstanding of medium enterprises.

a) Trade Payable include Rs. 92 Mn (March 31, 2021 : Rs. 130 Mn) payable to related parties. For details, refer note 39.

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	516	371
Interest due on above	3	1
<b>Total</b>	<b>519</b>	<b>372</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	1,128	2,025
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 period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	3	2
The amount of interest accrued and remaining unpaid at the end of each accounting year	6	3
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 Micro Small and Medium Enterprise Development Act, 2006	6	3

Total payments made to micro, small and medium enterprises amounts to Rs. 20,397 Mn (Rs. 12,167 Mn for the year ended March 31, 2021) out of which Rs. 1,128 Mn (Rs 2,025 Mn for the year ended March 31, 2021) has been paid beyond the appointed date; which is primarily due to delays in receipt of invoices and inadequate documentation in certain cases.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

### c) Trade payables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	416	102	0	-	-	518
(ii) Others	597	452	246	263	14	1,573
(iii) Disputed dues - MSME	-	4	-	-	-	4
(iv) Disputed dues - Others	3	1	2	5	66	77
<b>Subtotal</b>	<b>1,016</b>	<b>559</b>	<b>248</b>	<b>268</b>	<b>80</b>	<b>2,172</b>
(v) Accruals	19,122	-	-	-	-	19,122
<b>Total</b>	<b>20,138</b>	<b>559</b>	<b>248</b>	<b>268</b>	<b>80</b>	<b>21,293</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables (Contd..)

### c) Trade payables ageing schedule (Contd..)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	310	40	1	-	-	351
(ii) Others	537	431	281	256	1	1,506
(iii) Disputed dues - MSME	7	15	-	-	1	23
(iv) Disputed dues - Others	4	4	3	31	17	59
<b>Subtotal</b>	<b>858</b>	<b>490</b>	<b>285</b>	<b>287</b>	<b>19</b>	<b>1,939</b>
(v) Accruals	30,649	-	-	-	-	30,649
<b>Total</b>	<b>31,507</b>	<b>490</b>	<b>285</b>	<b>287</b>	<b>19</b>	<b>32,588</b>

### (d) Relationship with Struck Off Companies

Name of the Company	Nature of transaction	Relationship with the Company	Transaction during the year ended*		Balance outstanding as at*	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sirius Integrated Trading Private Limited	Legal expense	Vendor	-*	-	-	-*
Windtel Private Limited	Repair and Maintaince services	Vendor	-*	-*	-	-
Falak Enterprises Private Limited	Rent	Landlord	-*	-*	-	-
Medius Destinations india Private Limited	Legal charges	Vendor	-*	-*	-*	-
Modern Housing Construction Properties Limited	Rent	Landlord	-*	-*	-*	-
Gopala Builders Private Limited	Rent	Landlord	-	-*	-	-
Devadwar Service & Maintenance Company Private Limited	Rent	Landlord	-*	-*	-	-
R D Promoters Private Limited	Rent	Landlord	-*	-*	-*	-
Skn Boarding&Lodging Private Limited	Rent	Landlord	-*	-*	-	-
Palat Engineers India Private Limited	Deployment service	Vendor	(7)	-	(2)	(9)
Nagpur Conductors Private Limited	Rent	Landlord	-*	-*	-	-
Paresh Buildcon Private Limited	Rent	Landlord	-*	-*	-	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables (Contd..)

### (d) Relationship with Struck Off Companies (Contd..)

Name of the Company	Nature of transaction	Relationship with the Company	Transaction during the year ended*		Balance outstanding as at*	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Shree Sai Samarth Realty Private Limited	Rent	Landlord	-*	-	-	-
Swaraaj Joshi Residency Private Limited	Rent	Landlord	-*	-*	-	-
Venkatesh Lakshmi Buildcon Private Limited	Rent	Landlord	-*	-*	-	-
Precious Shelters Private Limited	Rent	Landlord	-*	-*	-	-
Ashwamegh Multi trade Private limited	Rent	Landlord	-	-*	-	-
Cashflow Investments (India) Private Limited	Rent	Landlord	-*	-*	-	-
Knight Raj Properties Private Limited	Rent	Landlord	-*	-*	-	-
Shan Holiday Inn Private Limited	Rent	Landlord	-	-*	-	-
Lords Hotels Private Limited	Boarding and Lodging Expense	Vendor	-	-*	-	-
Sagar Infrastructure Private Limited	Rent	Landlord	-	-*	-	-
Bright Constructions Private Limited	Rent	Landlord	-*	-*	-	-
Akansha Builders Private Limited	Rent	Landlord	-*	-	-*	-
Lex Property Developments Private Limited	Rent	Landlord	-	-	-*	-
Najeeb Construction Private Limited	Repair and Maintaince services	Vendor	-	-	-*	-*
Rakhee Textile Industries Private Limited	Rent	Landlord	-	-	-*	-*
Shivdham Premises Management Private Limited	Rent	Landlord	-*	-*	-	-
Sukhm Resorts Private Limited	Rent	Landlord	-*	-*	-	-
IITG Jobs Private Limited	Professional fees	Vendor	-*	-*	-*	-*
Regional Builders Private Limited	Rent	Landlord	-*	-*	-	-

\*Less than 1 Mn

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 22 Other financial liabilities , current

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to employees	760	840
Creditors for capital expenditure	5,185	8,957
Interest accrued and not due*	120	502
Security deposits	30	30
Book Overdraft	-	31
Other Payables#	415	936
<b>Total</b>	<b>6,510</b>	<b>11,296</b>

\*Interest accrued and not due\* includes amount pertaining to related parties amounting to Rs. Nil as at March 31, 2022 (March 31, 2021 - 378 Mn). For details, refer note 39 and 48.

#Other payables\* include amount pertaining to related parties amounting to Rs. Nil as at March 31, 2022 (March 31, 2021: 522 Mn). For details, refer note 39.

## 23 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Liabilities	3,877	3,516
Unearned revenue (refer note 39)	628	871
Deferred operating lease revenue	497	440
Liability for cash settled option (refer note 34)	18	27
Others	143	587
<b>Total</b>	<b>5,163</b>	<b>5,441</b>

## 24 Revenue from operations

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Sale of services</b>		
Rent (including recoveries for rates and taxes)	1,76,065	88,198
Energy	1,01,107	51,345
<b>Total</b>	<b>2,77,172</b>	<b>1,39,543</b>

## 25 Other income

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Interest income (Others)	81	182
Profit on sale of property, plant and equipment	2,551	823
Miscellaneous income	893	964
<b>Total</b>	<b>3,525</b>	<b>1,969</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 26 Power and fuel

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Network	102,592	51,508
Others	66	28
<b>Total</b>	<b>102,658</b>	<b>51,536</b>

## 27 Employee benefit expenses

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Salaries, wages and bonus*	7,182	4,903
Contribution to provident fund	232	132
Equity settled/cash settled option expense (refer note 34)	108	26
Staff welfare expenses	164	32
Others	36	33
<b>Total</b>	<b>7,722</b>	<b>5,126</b>

\* Salaries, wages and bonus\* includes gratuity and other post-employment benefits. For details, refer note 33.

## 28 Repairs and maintenance

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Repair and maintenance</b>		
- Plant and machinery	13,003	7,007
- Others	464	239
<b>Total</b>	<b>13,467</b>	<b>7,246</b>

## 29 Other expenses

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Insurance	465	263
Travelling and conveyance	464	183
Communication expenses	63	58
Legal and professional	795	724
Rates and Taxes	1,567	1,175
Information technology (IT) expenses	1,005	629
Provision for doubtful debts and advances (net)	(1,170)	(461)
Miscellaneous expenses	707	465
<b>Total</b>	<b>3,896</b>	<b>3,036</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 29 Other expenses (Contd..)

### Payment to auditor (net of GST) (Contd..)

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Audit fee	12.6	9.4
Tax audit fee	0.6	0.6
Other services	1.1	2.3
Reimbursement of expenses	-	0.8
<b>Total</b>	<b>14.2</b>	<b>13.1</b>

## 30 Depreciation and amortization expense

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Depreciation	53,996	29,752
Amortization	226	161
	<b>54,222</b>	<b>29,913</b>
Less: adjusted with general reserve in accordance with the Scheme of arrangement (refer note 42)	(970)	(1,429)
<b>Total</b>	<b>53,252</b>	<b>28,484</b>

As per Ind AS 116, operating lease rent has been changed to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

## 31 Finance Costs & Income

### Finance costs

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Interest Expense	3,461	2,410
Bank charges	5	6
Unwinding of discount on asset retirement obligation	1,173	543
Unwinding of discount on security deposit received	472	414
Interest on Lease Liabilities	10,922	4,991
<b>Total</b>	<b>16,033</b>	<b>8,364</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 31 Finance Costs & Income (Contd..)

### Finance costs

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Interest income on financial assets carried at amortized cost:</b>		
Interest on bank deposit	12	16
Interest on security deposit paid	502	328
Interest income (others)	142	169
<b>Interest income on financial assets carried at fair value through other comprehensive income:</b>		
<b>Interest income on financial assets carried at fair value through profit or loss:</b>		
Interest on government securities	211	210
<b>Gain/(loss) on investments (including MTM gain/(loss))</b>	193	1,269
<b>Total</b>	<b>1,060</b>	<b>1,992</b>

## 32 Earnings per Share (EPS)

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Nominal value of equity shares ( Rs.)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (Rs. Million)	63,731	37,790
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	2,694,436,314	2,157,440,073
Dilutive effect on weighted average number of equity shares outstanding during the year	249,644	96,635
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	2,694,685,958	2,157,536,708
Basic earnings per share (A/B) (Rs.)	23.653	17.516
Diluted earnings per share (A/C) (Rs.)	23.651	17.515

## 33 Employee benefits

The Group has recognised the following amounts in the consolidated statement of profit and loss:

### a) Defined contribution plan

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Employer's contribution to provident fund	232	132
<b>Total</b>	<b>232</b>	<b>132</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 33 Employee benefits (Contd..)

### b) Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Group. Such liability is included in salaries, wages and bonus, refer note 27.

#### Gratuity

#### i. Amount charged to the consolidated statement of profit and loss:

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Service cost	378	61
Interest cost	48	30
<b>Total</b>	<b>426</b>	<b>91</b>

#### ii. Due to its defined benefit plans, the Company is exposed to the following significant risks:

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

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

The assumptions used to determine the benefit obligation are as follows:-

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Discount rate	7.19%	6.80%
Expected rate of increase in compensation levels*	8.00%	8.50%
Expected average remaining working lives of employees (years)*	20.01	20.36

\*For contractual employees, expected rate of increase in compensation levels is 6% & expected average remaining working lives of employees is 23.09 years

#### Demographic assumption

Assumptions regarding future mortality are based on published statistics and mortality tables (IALM (2012-14) for the year ended March 31, 2022 .

Retirement age: The employees of the Company are assumed to retire at the age of 58 years.

Rates of leaving service at specimen ages as at March 31, 2022 are as shown below:

Age (Years)	Rates
Upto 30 years	11.35%
From 31 - 44 years	7.29%
Above 44 years	8.29%

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 33 Employee benefits (Contd..)

### iii. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Present value of benefit obligation at the beginning of year</b>	708	254
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	480
Service cost	378	61
Interest cost	48	30
Benefits paid	(106)	(89)
Actuarial (gain)/ loss	(47)	(27)
Acquisition Adjustment	-	(1)
<b>Present value of benefit obligation as at the end of year</b>	<b>981</b>	<b>708</b>

### iv. Amount recognised in Other Comprehensive Income

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
<b>Opening net cumulative unrecognized gain/(loss)</b>	(147)	(19)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	(155)
Actuarial gain/(loss)	47	27
<b>Unrecognized actuarial gain/(loss) at the end of year</b>	<b>(100)</b>	<b>(147)</b>

v. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vi. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vii. Estimated amounts of expense to be recognized within next year is Rs. 210 Mn (March 31, 2021 : Rs. 154 Mn).

### viii. The Maturity profile of defined benefit obligation is as follows :

Particulars	Amount
April 2022 - March 2023	86
April 2023 - March 2024	76
April 2024- March 2025	81
April 2025- March 2026	67
April 2026 onwards	671



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 33 Employee benefits (Contd..)

### ix. Sensitivity analysis

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	+1%	+1%	(64)	(53)
	-1%	-1%	78	57
Salary Growth rate	+1%	+1%	78	56
	-1%	-1%	(74)	(53)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e. Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the balance sheet.

## 34 Employee stock/cash settled option plans

### (a) Employee stock/cash settled option plans - issued by the Company

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme). In FY 2013-14 and 2014-15, the Company had announced new performance unit plan (cash settled option plan) for its employees. In FY 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21, 2021-22, the Company has announced Long term incentive plan (LTIP) 2015, Long term incentive plan (LTIP) 2016, Long term incentive plan (LTIP) 2017, Long term incentive plan (LTIP) 2018, Long term incentive plan (LTIP) 2019-20, Long term incentive plan (LTIP) 2020-21, Long term incentive plan (LTIP) 2021 respectively for its employees.

The following table provides an overview of all existing stock/cash option plans issued by the Company.

Entity	Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (Rs.)	Classification / accounting treatment
	<b>Equity settled Plans</b>						
Company	ESOP Scheme 2008	2008 Plan	1	1 - 5	7	110	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2015)	4	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2016)	4	1 - 3	7	10	Equity settled

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Entity	Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (Rs.)	Classification / accounting treatment
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2017)	7	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2018)	16	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2019-20)	68	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2020-21)	317	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2021)	619	1 - 3	7	10	Equity settled
	<b>Cash settled Plans</b>						
	Scheme 2013	Performance Unit Plan (2013 and 2014)	-	1 - 3	7	-	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company:

	Vesting period from the grant date	Vesting schedule
<b>1. ESOP Scheme 2008 (including LTIP)</b>		
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
<b>2. Performance Unit Plan (Cash settled plan)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company: (Contd..)

	Vesting period from the grant date	Vesting schedule
<b>3. Long term incentive plan (LTIP) 2015 (Grant 2015)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>4. Long term incentive plan (LTIP) 2015 (Grant 2016)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>5. Long term incentive plan (LTIP) 2015 (Grant 2017)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>6. Long term incentive plan (LTIP) 2015 (Grant 2018)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>7. Long term incentive plan (LTIP) 2015 (Grant 2019-20)</b>		
For options with a vesting period of 28 months:		
	On completion of 12 months	60%
	On completion of 28 months	40%
<b>8. Long term incentive plan (LTIP) 2015 (Grant 2020-21)</b>		
For options with a vesting period of 30 months:		
	On completion of 12 months	60%
	On completion of 30 months	40%
<b>9. Long term incentive plan (LTIP) 2015 (Grant 2021)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options (in '000)	Exercise price (Rs.)	Number of stock options (in '000)	Exercise price (Rs.)
<b>Plan 2008</b>				
Outstanding at beginning of the year	2	110	46	110
Granted	-	-	-	-
Forfeited	-	110	(1)	110
Exercised	(1)	110	(43)	110
Outstanding at the year end	1	110	2	110
Exercisable at end of the year	1	110	2	110
<b>Cash settled Plan (2013 and 2014)</b>				
Outstanding at beginning of the year	7	NA	7	NA
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(7)	NA	-	-
Outstanding at the year end	-	-	7	NA
Exercisable at end of the year	-	-	7	NA
<b>LTI Plan 2015 (Grant 2015)</b>				
Outstanding at beginning of the year	4	10	12	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	(8)	10
Outstanding at the year end	4	10	4	10
Exercisable at end of the year	4	10	4	10
<b>LTI Plan 2015 (Grant 2016)</b>				
Outstanding at beginning of the year	5	10	20	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(1)	10	(15)	10
Outstanding at the year end	4	10	5	10
Exercisable at end of the year	4	10	5	10
<b>LTI Plan 2015 (Grant 2017)</b>				
Outstanding at beginning of the year	11	10	44	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(4)	10	(33)	10
Outstanding at the year end	7	10	11	10
Exercisable at end of the year	7	10	11	10



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options (in '000)	Exercise price (Rs.)	Number of stock options (in '000)	Exercise price (Rs.)
<b>LTI Plan 2015 (Grant 2018)</b>				
Outstanding at beginning of the year	33	10	122	10
Granted	-	-	-	-
Forfeited	-	-	(7)	10
Exercised	(17)	10	(82)	10
Outstanding at the year end	16	10	33	10
Exercisable at end of the year	16	10	10	10
<b>LTI Plan 2015 (Grant 2019-20)</b>				
Outstanding at beginning of the year	107	10	135	10
Granted	-	-	-	-
Forfeited	(12)	10	(28)	10
Exercised	(27)	10	-	-
Outstanding at the year end	68	10	107	10
Exercisable at end of the year	38	10	64	10
<b>LTI Plan 2015 (Grant 2020-21)</b>				
Outstanding at beginning of the year	491	10	-	-
Granted	-	-	491	10
Forfeited	(57)	10	-	-
Exercised	(117)	10	-	-
Outstanding at the year end	317	10	491	10
Exercisable at end of the year	150	10	-	-
<b>LTI Plan 2015 (Grant 2021)</b>				
Outstanding at beginning of the year	641	10	-	-
Granted	-	-	-	-
Forfeited	(22)	10	-	-
Exercised	-	-	-	-
Outstanding at the year end	619	10	-	-
Exercisable at end of the year	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (Rs.)		Weighted average share price for the options exercised during the year ended (Rs.)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Equity settled plans</b>						
Plan 2008	0.25	0.66	-	-	239.20	229.73
LTI plan 2015	3.33	4.33	-	-	-	208.17
LTI plan 2016	3.33	4.61	-	-	281.50	202.74
LTI plan 2017	4.19	5.38	-	-	227.12	190.46
LTI plan 2018	6.15	6.94	-	-	237.15	186.39
LTI plan 2019-20	6.60	7.53	-	-	243.89	-
LTI plan 2020-21	7.62	8.44	-	246.64	222.19	-
LTI plan 2021	8.43	-	222.15	-	-	-
<b>Cash settled plans</b>						
PUP 2013 & 2014	-	3.33	-	-	-	-

The fair value of the options granted during the year was estimated using the Black Scholes, method of valuation with the following assumptions:

Particulars	LTIP Plan 2015 (Grant 2021) As at March 31, 2022	LTIP Plan 2015 (Grant 2020-21) As at March 31, 2021
Risk free interest rates	3.45% to 6.77%	3.23% to 6.32%
Vesting period	36 months	30 months
Weighted average share price (Rs.)	222.15	246.64
Volatility	49.62%	56.33%
Dividend yield	8.55%	7.70%

### (b) Employee stock/cash settled option plans - Issued by the erstwhile Indus Towers Limited

#### Stock Appreciation Rights (SAR) Scheme (SAR Plan 2)

During the year ended March 31, 2013, the Company had announced an Employee Stock Appreciation Right Scheme (the 'Scheme') for eligible employees. As per this plan, the employees would be entitled to receive the difference between the fair value of the share at the date of exercise of SAR and the exercise price. The fair value of the SAR will be determined using Black Scholes Option Pricing Model. The fair value of SAR granted after applying an estimated forfeiture rate is amortised over the vesting period.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Particulars	Plan	Stock options outstanding	Vesting period (years)	Contractual term (years)	Weighted average exercise price (Rs.)	Classification / accounting treatment
SAR Plan 2	Grant 7 (Aug 2018)	2.15	1 - 3	7	1	Cash settled
	Grant 8 (Aug 2019)	29.13	1 - 3	7	1	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing cash settled option plans:

Particulars	Vesting period from the grant date	Vesting schedule
<b>SAR Plan 2 (Grant 7 &amp; Grant 8)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options	Exercise price (Rs.)	Number of stock options	Exercise price (Rs.)
<b>Performance Unit Plan (Grant 7 &amp; Grant 8)</b>				
Outstanding at beginning of the year	85	1	-	-
Outstanding as on effective date of merger	-	-	85	1
Granted	-	-	-	-
Forfeited	(3)	1	-	-
Exercised	(50)	1	-	-
Outstanding at the year end	32	1	85	1
Exercisable at end of the year	3	1	-	-

Remaining contractual life for the options outstanding as of March 31, 2022 is 3.33 years (March 31, 2021 - 4.33 years) and 4.33 years (March 31, 2021 - 5.33 years) for Grant 7 and Grant 8 respectively.

Erstwhile Indus Towers Limited granted stock options under the SAR plan 2 to the eligible employees of the Company and the valuation as on March 31, 2020 i.e. before the effective date of merger on the basis of valuation of the erstwhile Indus. Considering the continuation of the same scheme post-merger, the valuation of options has been carried at the same value on the reporting date i.e. March 31, 2022, considering all other factors remaining unchanged. The outstanding liability and expense accrual on the plan is not material commensurating the employee benefit expense of the company.

Notes:

- (i) Total employees stock/cash options expense recognised for the year ended March 31, 2022 and March 31, 2021 is Rs. 108 Mn and Rs. 26 Mn respectively.
- (ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of Rs. 625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

“Indus Towers Employee’s Welfare Trust (formerly Bharti Infratel Employee’s Welfare Trust) [a trust set up for administration of Employee Stock Option Plan (‘ESOP’) of the Company] had acquired 1,652,000 equity shares of the Company from the open market at an average price of Rs. 377.72 per share in financial year of its incorporation i.e. FY 2014-15.

During the year ended March 31, 2022, Trust has acquired 340,000, 269,838 and 162 shares at a price of Rs. 243.43, 262.73 and 264.78 per share respectively and 200,560 equity shares of Rs. 10 each and 818 equity shares of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of March 31, 2022, the Trust holds 553,712 shares (of Face Value of Rs. 10 each) (March 31, 2021 - 145,090 shares) of the Company.

### Reconciliation of numbers of shares held by ESOP Trust

Particulars	Number of Shares		(Rs. Million)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening balance	145,090	737,977	33	235
Purchased during the year	610,000	107,170	154	25
Share sold during the year	-	(497,532)	-	(173)
Issued during the year	(201,378)	(202,525)	(46)	(54)
<b>Closing balance</b>	<b>553,712</b>	<b>145,090</b>	<b>140</b>	<b>33</b>

## 35 Leases

The group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is Rs. 176,065 Mn and Rs. 88,198 Mn for the year ended March 31, 2022 and March 31, 2021 respectively.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Future minimum lease income receivable:</b>		
Not later than one year	111,145	152,394
Later than one year but not later than five years	315,181	327,870
Later than five years	118,014	138,425
<b>Total</b>	<b>544,340</b>	<b>618,689</b>

## 36 Contingencies & Capital Commitments

### a) Guarantees

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees issued by banks and financial institutions on behalf of the Group	1,120	892
<b>Total</b>	<b>1,120</b>	<b>892</b>

The financial bank guarantees have been issued to regulatory authorities.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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## 36 Contingencies & Capital Commitments (Contd..)

### b) Claims against the Group not acknowledged as debt

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
Sales tax/VAT/GST (refer to a below)	21,753	25,879
Stamp duty (refer to b below)	224	224
Entry tax (refer to c below)	1,949	2,352
Municipal taxes (refer to d below)	10,375	8,391
Service tax (refer to e below)	40,590	39,964
(ii) Income tax matters (refer to f below)	37,978	38,592
(iii) Other claims under legal cases including arbitration matters (refer to g below)	2,021	2,879
<b>Total</b>	<b>114,890</b>	<b>118,281</b>

Unless otherwise stated below, the management, based on legal advice, believes that the outcome of these contingencies will be favorable and loss is not probable.

#### a) Sales tax/VAT/GST

The claims for Sales tax comprise mainly of the case relating to levy of VAT on right to use in goods & non submission of concessional forms. During the quarter ended March 31, 2022 the Group has received favorable order from Hon'ble Madras High Court relating to levy of VAT on right to use in goods.

During the quarter ended March 31, 2022, Bihar GST Department has raised demand for disallowance of Input tax credit availed by the Company on passive infrastructure assets other than towers. The Company is in process of filing an appeal before first appellate authority.

#### b) Stamp duty

The Company had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

#### c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. The Company has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam and amended the pending petitions in the states of Mizoram, Bihar and Jammu & Kashmir. Pending disposition of each case by the High Courts, the company has decided to maintain 'Status Quo' on its position/assessment.

The state of Rajasthan has introduced amnesty scheme for settlement of old legacy cases prior to introduction of GST and



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 36 Contingencies & Capital Commitments (Contd..)

### b) Claims against the Group not acknowledged as debt (Contd..)

company has initiated to opt the scheme with some exclusion of reassessment proceedings basis favorable ruling from the department and accordingly, amount payable as per the scheme is recognized in the books of accounts and Contingent Liability is adjusted to that extent. The tax computed by the department under the amnesty scheme was not in accordance with the provisions of the scheme hence, the company has opted to file a writ petition before Hon'ble High court and notice has been issued to department to file their response against such petition.

### d) Municipal taxes

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

### e) Service tax

The service tax department had issued certain orders for the disallowance of CENVAT credit availed on Inputs, Capital Goods and Input Services under pre- GST regime. The Company has filed writ petition before Hon'ble High Court of Delhi which was decided in favour of the Company vide order dated October 31, 2018 wherein it was held that towers are movable in nature and CENVAT credit can be availed on receipt of such goods. Further, Department has filed SLP before Hon'ble Supreme Court against the favorable order of Delhi High Court. The Hon'ble Supreme Court has tagged the SLP with pending matter on similar issue of telecom operators.

On the similar matter, there are contrary judgements by the Hon'ble High Court of Bombay in the case of telecom operators against which, such operators have filed SLP before Hon'ble Supreme Court. These matters are pending before Supreme Court for hearing.

In another issue department has raised demand alleging difference in turnover in 26AS vs ST 3 against which company had filed appeal before CESTAT, pending for hearing. Further, on the similar issue demand has also been confirmed for FY'16 & FY'18 for which the company has filed an appeal against the order.

In a separate proceeding before Directorate General of Central Excise Intelligence, the department had issued order for payment of excise duty on removal of scrap under pre- GST regime against which the Company has filed appeal before CESTAT, pending for hearing. The company has received favourable order from CESTAT, Chandigarh on issue of reversal of CENVAT credit on removal of scrap for FY'14 & FY'15

### f) Income tax matters

This pertains to tax demands mainly on account of disallowance of depreciation on PIA assets transfer under merger scheme, provision for expenditure, Depreciation on Provisional capitalization, expenditure u/s 14A related to exempt income, short credit of taxes deducted etc. In these cases, the possibility of tax demand materializing is remote, based on internal assessment of the group.

During the year, Tax authorities have granted tax credit of INR 347 Mn for FY'13. Consequently, the demand has been reduced by INR 622 Mn (including interest of INR 275 Mn).

# Notes to Consolidated Financial Statements

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(Amounts in millions of Indian Rupees, unless stated otherwise)

## 36 Contingencies & Capital Commitments (Contd..)

### b) Claims against the Group not acknowledged as debt (Contd..)

#### g) Other claims mainly include site related legal disputes

Amount assessed as contingent liability includes interest and penalty as demanded by various authorities and vendors and doesn't include interest liability that could be claimed by authorities in case of unfavorable orders. Further, show cause notices relating to the Direct and Indirect taxes have neither been acknowledged as claims nor considered as contingent liabilities.

- h) One of the State Electricity Board ('Board') revised the electricity tariff and has demanded Industrial to Commercial (I2C) tariff difference in respect of the electricity consumed by the Company for the operation of its towers and same was challenged before Appellate Tribunal by the Industry including the Company. The Appellate tribunal has decided in favor of Appellants including the Company in February 2020. The said order has been challenged by the Board before Hon'ble Supreme Court and in October 2020, the Hon'ble Supreme Court stayed the recovery of refund amount by the Appellant. Further, effective April 1, 2020, the Board has issued a circular where tower sites have been classified under Industrial tariff category. The Company believes that the outcome of the case will be favorable and the likelihood of outflow of resources is remote. Further, in case of unfavorable decision, which is not likely, the Company has obtained necessary undertakings from the customers for payment/reimbursement of differential cost.

### c) Capital Commitment

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	2,311	6,486
<b>Total</b>	<b>2,311</b>	<b>6,486</b>

## 37 Fair Values

Set out below is the comparison of class of the carrying amount and fair value of the Group's financial instruments that are recognized in the financial statements.

Promoter name	Carrying Amount		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>				
<b>- At fair value through profit or loss</b>				
Investment in mutual funds	13,653	19,773	13,653	19,773
Investment in government securities	2,868	2,941	2,868	2,941
<b>- At amortised cost</b>				
Cash and cash equivalents	9,802	145	9,802	145
Trade receivables	70,586	38,285	70,586	38,285
Other financial assets	34,767	40,092	34,767	40,092
	<b>131,676</b>	<b>101,236</b>	<b>131,676</b>	<b>101,236</b>
<b>Financial Liabilities</b>				
<b>- At amortised cost</b>				
Borrowings	54,868	81,641	54,868	81,641

# Notes to Consolidated Financial Statements

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(Amounts in millions of Indian Rupees, unless stated otherwise)

## 37 Fair Values (Contd..)

Promoter name	Carrying Amount		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Lease liabilities	142,392	134,119	142,392	134,119
Trade payables	21,293	32,588	21,293	32,588
Other financial liabilities	12,218	16,532	12,218	16,532
	<b>230,771</b>	<b>264,880</b>	<b>230,771</b>	<b>264,880</b>

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

- The carrying value of cash and cash equivalents, other bank balances, trade receivables, short term borrowings, variable rate long term borrowings, trade payables approximate their fair value mainly due to the short-term maturities of these instruments/being subject to floating rates.
- The fair values of financial assets classified as fair value through profit or loss like investment in mutual funds, and government securities is based on quoted market price / net asset values at the reporting date.
- The fair value of security deposits included in other financial assets & other financial liabilities, lease liabilities and fixed rate long term borrowings (if any) is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities (other than security deposits) are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

There are no significant unobservable inputs used in the fair value measurement.

## 38 Fair value hierarchy

All financial instruments for which value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

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

Level 2: Inputs other than quoted parts included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

Particulars	As at March 31, 2022	As at March 31, 2021
	Level 1	Level 1
<b>Financial Assets</b>		
<b>- At fair value through profit or loss</b>		
- Investments in mutual funds	13,653	19,773
- Investments in government securities	2,868	2,941
<b>Total</b>	<b>16,521</b>	<b>22,714</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 38 Fair value hierarchy (Contd..)

No financial asset has been classified into Level 2 and Level 3 fair value measurements.

Further, during the year ended March 31, 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

## 39 Related party Disclosures:

The names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

### a) List of related parties

#### i. Key management personnel (KMP)

Bimal Dayal, Managing Director and CEO w.e.f January 08, 2021 (CEO w.e.f November 19, 2020 and earlier he was appointed as Managing Director w.e.f October 22, 2020 till the effective date of merger i.e November 19, 2020)

Vikas Poddar, Chief Financial Officer (w.e.f January 12, 2021)

Samridhi Rodhe, Company Secretary

Pooja Jain, Chief Financial Officer (w.e.f June 4, 2020 till November 30, 2020)

Akhil Kumar Gupta, Chairman (till November 19, 2020)

D.S. Rawat, Managing Director and CEO (till August 3, 2020)

#### ii. Related parties where control existed (till November 18, 2020) irrespective of whether transactions have occurred or not:

Ultimate Holding Company      Bharti Enterprises Holding Pvt. Ltd.

(It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company)

Parent Company      Bharti Airtel Limited

#### iii. Related parties where control/significance influence exists w.e.f. from November 19, 2020:

Relationship	Related Party
Promoter Groups (w.e.f November 19, 2020)	Bharti Airtel Limited (Parent Company till November 18, 2020)
	Nettle Infrastructure Investments Limited (Fellow Subsidiary till November 18, 2020)
	Omega Telecom Holdings Private Limited
	Euro Pacific Securities Ltd
	Vodafone Telecommunications (India) Limited
	Trans Crystal Ltd
	Mobilvest
	Prime Metals Ltd
	CCII (Mauritius), Inc.
	Asian Telecommunication Investments (Mauritius) Ltd
	Al-Amin Investments Ltd
	Usha Martin Telematics Limited

# Notes to Consolidated Financial Statements

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(Amounts in millions of Indian Rupees, unless stated otherwise)

## 39 Related party Disclosures: (Contd..)

### iv. Other related parties where joint control/significance influence exists and with whom transactions have taken place during the year:

Relationship	Related Party
Joint Venture	Erstwhile Indus Towers Limited (ceased to exist from November 18, 2020 and merged into the company w.e.f November 19, 2020)
	Bharti Hexacom Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Bharti Telemedia Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Nxtra Data Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
Entities having significant influence [includes Subsidiaries and Joint Venture of the promoter group]	Bharti Airtel Services Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Vodafone Idea Limited (w.e.f. November 19, 2020)
	KFin Technologies Private Limited (w.e.f. November 19, 2020 till February 23, 2022)*

\*Related party having common directorship

### b) Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Group with promoter group, entities having significant influence over the Group and erstwhile joint venture. The transactions with these related parties for the year ended March 31, 2022 and March 31, 2021 and balances as at March 31, 2022 and March 31, 2021 are described below:

Relationship	Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2022*	2021	2022*	2021	2022*	2021
	Promoters		Entities having significant influence		Erstwhile Joint venture	
<b>Nature of transaction</b>						
Loan repaid	-	-	(348)	-	-	-
Prepayment received	-	-	-	(24,000)	-	-
Purchase of property, plant & equipment	-	-	(31)	-	-	-
Revenue from operations**	129,009	79,518	120,048	49,308	-	-
Procurement of services/	(190)	(265)	(112)	(87)	-	(2)
Reimbursement of expenses						
Security deposit received	-	(15)	(5)	(7)	-	-
Security deposit refunded	-	18	-	26	-	-
Commission paid	-	-	-	-	-	(55)
Dividend received	-	-	-	-	-	4,200
Dividend paid/declared	-	(26,373)	-	(13,504)	-	-
Interest expense	-	-	48	(900)	-	-
Interest income	-	-	-	169	-	-
Share capital issued	-	(7,578)	-	-	-	-
	<b>128,819</b>	<b>45,305</b>	<b>119,600</b>	<b>11,005</b>	<b>-</b>	<b>4,143</b>

\*Refer note 3 and 49

\*\*Inclusive of GST and interest income on exit EMI and represents gross billed and unbilled transactions recorded during the year.



# Notes to Consolidated Financial Statements

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(Amounts in millions of Indian Rupees, unless stated otherwise)

## 39 Related party Disclosures: (Contd..)

### b) Related Party Transactions during the year: (Contd..)

Relationship	As at March 31,		As at March 31,		As at March 31,	
	2022*	2021	2022*	2021	2022*	2021
	Promoters		Entities having significant influence		Erstwhile Joint venture	
Trade payables	(87)	(123)	(5)	(7)	-	-
Other liabilities	(646)	(950)	(552)	(745)	-	-
Other financial assets	10,096	11,003	11,514	14,950	-	-
Trade receivables #	24,857	20,488	59,198	46,452	-	-
Short term borrowings	-	-	-	(348)	-	-
Other financial liabilities	(1,431)	(1,431)	(1,689)	(2,589)	-	-
	<b>32,789</b>	<b>28,987</b>	<b>68,466</b>	<b>57,713</b>	-	-

#Represents gross billed transactions outstanding at the end of the year.

As at March 31, 2022, the Group has outstanding provision for doubtful debts pertaining to related parties amounting to Rs. 776 Mn (March 31, 2021: Rs. 2,546 Mn).

Figures in bracket indicate liability and figures without bracket indicates assets.

\*The Company has granted an interest free unsecured loan.

The Company has not granted any amount in the nature of loans or advances to promoters, directors, KMPs and other related parties other than stated above. Further, The loan given to related party as mentioned above comprises 100% of the loan granted by the company.

### Payments made to Key management personnel/ non executive directors:

Particulars	Year ended	
	March 31, 2022 (refer note 3 & 49)	March 31, 2021
Short-term employee benefits (including salary and commission)	86	140
Post-Employment benefits	9	8
Termination benefits	-	465
Share based payment	19	4
<b>Total</b>	<b>114</b>	<b>617</b>

Amount received from KMP for ESOP exercised during the year ended March 31, 2022 is Nil (March 31, 2021 : Nil\*)

\*Amount is less than 1 Mn

### Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash and there have been no guarantees provided or received for any related party receivables or payables except in case of one of the related party referred in Note 48.

**40** The Group is engaged in the business of establishing, operating and maintaining wireless communication towers and this is the only major activity performed resulting into main source of risks and returns. The Group's segments as reviewed by the Chief Operating Decision Maker (CODM) does not result into identification of different ways / sources into which they see the

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 40 (Contd..)

performance of the Group. Accordingly, the Group has a single reportable segment. Further, as the Group does not operate in more than one geographical segment, hence, the relevant disclosures as per Ind AS 108 – ‘Operating Segments’ are not applicable to the Group.

## 41 Items of income and expenditure exceeding 1% of revenue from operations

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Power & Fuel	102,592	51,508
Salaries, wages and bonus	7,182	4,903
Repair and maintenance - Plant and machinery	13,003	7,007
Depreciation and amortization expense	53,252	28,484
Interest Expense	3,461	2,410
Interest on Lease Liabilities	10,922	4,991
Share of profit of joint venture	-	8,663

**42** As per transitional provisions specified in Ind AS 101, “First time Adoption of Indian Accounting Standards”. The Company has continued to apply the accounting prescribed under the scheme with respect to mergers listed below.

### a) Scheme accounting – Bharti Airtel Scheme

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited (‘BAL Scheme’) under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. As per provisions of the Scheme, the Company has created a General reserve equivalent to the amount of fair value of such telecom infrastructure which shall be constituted as free reserve available for all purposes at the discretion of the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Accordingly, depreciation charges on the excess of fair value over the original book values are charged to General Reserve.

### b) Scheme accounting – Indus Scheme

Pursuant to the Scheme of Arrangement (‘Indus Scheme’) under sections 391 to 394 of the Companies Act, 1956, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), Bharti Infratel Ventures Limited and Idea Cellular Tower Infrastructure Limited (collectively referred to as ‘The Transferor Companies’) and erstwhile Indus Towers Limited (referred to as ‘erstwhile Indus’ or ‘The Transferee Company’), jointly filed an application for sanctioning a scheme of arrangement (‘the Scheme’) under Section 391 to 394 of the Companies Act, 1956. The Scheme was sanctioned by the Hon’ble High Court of Delhi vide its order dated April 18, 2013. The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order of the Hon’ble High Court with the Registrar of Companies, Delhi with an appointed date of April 1, 2009.

#### General Reserve arising out of the Scheme

Pursuant to the terms of the Scheme, with effect from the appointed date, the Transferee Company recorded all assets of the Transferor Companies at fair value, all the liabilities and reserves at their book value and issued its equity shares to the shareholders. The excess of net value of assets, liabilities and reserves taken over and the consideration payable, has been transferred to a General Reserve account arising out of the Scheme. Accordingly, the General Reserve of Rs. 73,792 Mn was

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 42 (Contd..)

recognised on account of fair value adjustments as on April 1, 2009. Further, the General reserve amounting to Rs. 71,050 Mn was transferred from Bharti Infratel Ventures Limited and Idea Cellular Towers Infrastructure Limited to erstwhile Indus Towers Limited under the Scheme. The resultant total General Reserve recorded in erstwhile Indus Towers Limited amounted to Rs. 144,842 Mn as on April 1, 2009.

The General Reserve account of the Transferee Company created pursuant to the Scheme shall be treated as free reserve for all intents and purposes, including, without limitation, as may be decided by the Board of Directors, including for amortisation of any merger related expenses or losses, issuance of bonus shares, off-setting any additional or accelerated depreciation related to the fixed assets transferred to the transferee company pursuant to the Scheme, lease equalization reserve, asset retirement obligations, deferred tax assets or liabilities, as the case may be, any other expenses, impairment, losses or write-offs and any other permitted purposes and shall form part of the net worth of the Transferee company.

Further, pursuant to merger of erstwhile Indus with the Company (refer note 3), such General Reserve amounting to Rs. 73,257 Mn has been recognised in the Company at the carrying value on the effective date of merger i.e. November 19, 2020. The incremental depreciation for the period from November 19, 2020 to March 31, 2021 aggregating to Rs. 1,133 Mn (includes Rs. 589 Mn on account of alignment of accounting practices and estimates) and for the year ended March 31, 2022 amounting to Rs. 970 Mn has been adjusted against the General Reserve arising out of the Scheme.

Had the scheme approved by the Hon'ble High Court of Delhi did not prescribe the accounting treatment mentioned above, these amounts would have been recognized in the statement of profit and loss.

### c) Capital reserve arising out of slump purchase of assets

The wholly owned subsidiary of the Company erstwhile Bharti Infratel Ventures Limited ('BIVL') had acquired certain assets and liabilities from the Company as a going concern on slump sale basis for no consideration as on December 31, 2011. Pursuant to this, BIVL had recognised total assets amounting to Rs. 4,695 Mn, total liabilities of Rs 159 Mn and the resultant difference of Rs 4,536 Mn has been recognised as a Capital Reserve. Further, pursuant to Indus Scheme (refer note 42(b)), and thereafter merger of erstwhile Indus Towers Limited ('erstwhile Indus') with the Company (refer note 3) and upon transfer of all the assets, liabilities and reserves of BIVL to erstwhile Indus and from erstwhile Indus to the Company such capital reserve has been recognised at the carrying value in the books of the Company.

## 43 Charity and Donation

### (i) Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year*	418	551
(ii) Amount of expenditure incurred	356	706
(iii) (Surplus)/Shortfall at the end of the year	62	(155)
(iv) Total of previous years shortfall	-	-

**(v) Reason for shortfall:** The amount has been incurred/spent on the ongoing projects through the eligible partners.

**(vi) The CSR amount has been spent on :** Education & skill development, Monitoring and administration, Disaster/ management initiatives, Sanitation project , Contribution to PM Cares fund (Covid) and Support during Covid (Disaster initiative)

\* Gross liability for the year ended March 31, 2022 of Rs. 573 Mn less brought forward from previous year Rs. 155 Mn

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 43 Charity and Donation (Contd..)

During the year ended March 31, 2022, the Company has set off Rs. 155 Mn of CSR obligation which was excess spent by the Company during the year ended March 31, 2021 as per the Companies (CSR Policy) Amendment Rules, 2021. The remaining unspent money of Rs. 62 Mn has transferred to a separate bank account as per section 135 (6) of the Companies Act, 2013. The amount required to be spent by the Company for the year ended March 31, 2021 includes shortfall of Rs. 73 Mn pertaining to erstwhile Indus.

- (ii) No political contribution was made for the financial year ended March 31, 2022 (March 31, 2021: Rs. 100 Mn paid to Prudent Electoral Trust). Further, the Company has spent Rs. 4 Mn (March 31, 2021: Nil) on Non-CSR projects during the year ended March 31, 2022.

## 44 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, lease liabilities, trade payables, security deposits received, etc. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include investment in mutual funds and Government Securities, trade receivables, unbilled revenue, cash and cash equivalents, security deposits paid, etc. that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and Group's risk appetite. The Group has not entered into any derivative transactions. All derivative activities if any, for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

### • Market Risk

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in mutual funds, Government Securities, fixed deposits and loans and borrowings etc.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

The Group's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any."

### Interest rate risk

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 44 Financial risk management objectives and policies (Contd..)

The Group has invested in Government securities which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. Further, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Variable rate instruments</b>		
Long term borrowings	23,739	15,051
Current maturities of long term borrowing	21,938	11,938
<b>Total</b>	<b>45,677</b>	<b>26,989</b>

### Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
For the year ended March 31, 2022 (refer note 3 & 49)	+ 100	(359)
	- 100	359
For the year ended March 31, 2021	+ 100	(89)
	- 100	89

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Group's functional currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has very limited foreign currency exposure mainly due to incurrence of some expenses. The Group may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.

The Group manages its foreign currency risk if any, by hedging appropriate percentage of its foreign currency exposure, as per approved established risk management policy.

The foreign currency exposures that have not been hedged are Rs. Nil\* (JPY 0.22 Mn) included in trade payable as at March 31, 2022 (March 31, 2021: Rs. 5 Mn (USD 0.06 Mn)). The Group has not entered into any derivative arrangements during the year ended March 31, 2022.

\* Amount is less than 1 Mn



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 44 Financial risk management objectives and policies (Contd..)

### Price risk

The Group invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid & Money Market schemes of mutual funds (liquid investments) and higher duration short term debt funds.

These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Group manages the price risk through diversification from time to time.

### • Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

### Trade receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15/45 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Within due date	Less than 6 months	More than 6 months	Subtotal	Allowance for doubtful receivables	Total
Trade receivables as at March 31, 2022	30,676	40,344	3,249	74,269	(3,683)	70,586
Trade receivables as at March 31, 2021	24,706	14,197	4,232	43,135	(4,850)	38,285

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as given in Note 37.

### Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group closely monitors its liquidity position and deploys a robust cash management system.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 44 Financial risk management objectives and policies (Contd..)

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

Particulars	As at March 31, 2022						Total
	Carrying amount	Contractual cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Long term borrowings*	45,677	48,532	12,073	11,765	17,253	7,441	48,532
Short term borrowings**	9,191	9,220	9,220	-	-	-	9,220
Lease Liabilities	1,42,392	2,10,398	18,410	13,266	25,409	1,53,313	2,10,398
Trade payables	21,293	21,293	21,293	-	-	-	21,293
Other financial liabilities#	12,218	13,893	8,816	15	295	4,767	13,893
<b>Total</b>	<b>2,30,771</b>	<b>3,03,336</b>	<b>69,813</b>	<b>25,046</b>	<b>42,957</b>	<b>1,65,521</b>	<b>3,03,336</b>

\*Include long term borrowings, current maturities of long term borrowings and committed interest payments on such borrowings.

\*\*Include short term borrowings and committed interest payments on such borrowings.

# Include both non-current and current financial liabilities and exclude current maturities of long term borrowings.

Particulars	As at March 31, 2021						Total
	Carrying amount	Contractual cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Long term borrowings*	26,989	28,982	7,502	5,665	10,893	4,922	28,982
Short term borrowings**	54,652	54,911	54,911	-	-	-	54,911
Lease Liabilities	134,119	199,299	17,642	12,411	23,093	146,153	199,299
Trade payables	32,588	32,588	32,588	-	-	-	32,588
Other financial liabilities #	16,532	18,665	11,464	2,029	149	5,023	18,665
<b>Total</b>	<b>264,880</b>	<b>334,445</b>	<b>124,107</b>	<b>20,105</b>	<b>34,135</b>	<b>156,098</b>	<b>334,445</b>

### Collateral

The Company does not have any secured loan as at March 31, 2022. However, during the previous year the charge was created in favour of the lenders for loans as at March 31, 2021. Refer note 15 for details.

### Capital management

For the purpose of Group's Capital management, Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's gearing ratio was as follows:

Particulars	Year ended March 31, 2022 (refer note 3 & 49)	Year ended March 31, 2021
Total borrowings	54,868	81,641
Less: Investments	(16,521)	(22,714)
Less: Cash and cash equivalents	(9,802)	(145)
Net debt	28,545	58,782
Total equity	221,505	158,770
<b>Gearing ratio</b>	<b>12.89%</b>	<b>37.02%</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 44 Financial risk management objectives and policies (Contd..)

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the year ended March 31, 2022."

**45** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Further, the amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2022 is Nil (March 31, 2021 : Nil).

**46** The Ministry of home affairs vide order No.40-3/2020 dated 24.03.2020 notified telecommunication services among the essential services which continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organisation. The passive infrastructure as well as active telecom operations of the Group's customers are covered under essential services which are actively engaged in fulfilling the surge in demand arising out of the choice exercised by almost all industries to conduct their operations remotely. Hence, the telecom industry is among the businesses that are least impacted due to COVID-19. The Group believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Group. Further, the Group is not expecting any change in estimates as of now as the Group is running its business and operations as usual without any major disruptions.

**47** The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited the suggestions from stakeholders. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**48** A large customer of the Group accounts for substantial part of net sales for the period ended March 31, 2022 and constitutes a significant part of trade receivables outstanding as at March 31, 2022

The said customer in its declared results for quarter and nine months period ended December 31, 2021, "had expressed its ability to continue as going concern to be dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The said customer has met all its debt obligations till that date".

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. On October 14, 2021, Department of Telecommunications ('DoT') issued the required notifications giving an option for moratorium of Spectrum instalment and Adjusted Gross Revenue ('AGR') dues to be confirmed by the said customer on or before October 29, 2021. It also provided a period of 90 days to confirm upfront conversion, if any, of the interest amount arising due to such deferment into equity. The said customer has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect.

At its meeting held on January 10, 2022, the Board of Directors of the said customer approved the conversion of the full amount of such interest on the deferred instalments related to spectrum auction amounts and AGR dues into shares of the said customer's Company, either ordinary and / or preference, at the discretion of government. The said customer has notified the DoT accordingly. The next steps in this regard are subject to final confirmation by the DoT.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 48 (Contd..)

The aforementioned moratorium appears to have strengthened the said customer's ability to continue as a going concern.

During the quarter ended March 31, 2022, One of the promoters of the said customer, had proposed a plan for the payment to the Company of the outstanding MSA amounts of the said customer. The Board/Committee of the Board of the Company had agreed to accept the proposed payment plan and the modifications to the Security Arrangements that will secure the Company for a similar value as the value under the existing security package, on an understanding that the Company shall not invoke the security package until July 15,2022 subject to the said customer committing to pay until July 15,2022 certain minimum amounts each month aggregating to a minimum of Rs. 30,000 Mn to the Company. As per the terms agreed, monthly committed amounts have been paid by the customer till date.

Under the modified Security Arrangement, such promoter was allowed to dispose of all the primary pledged shares and use the proceeds to participate in an issue of new shares by the said customer to the promoter. The equity proceeds of Rs.33,750 Mn received by the said customer from the promoter have been exclusively utilized to clear the customer's outstanding dues to the Company. Under the modified terms of the Security Arrangement, balance proceeds of Rs 4,362.1 Mn from the sale of the primary pledged shares those are not used by the said promoter to subscribe to the new shares of the said customer, has been secured by way of a bank guarantee for the benefit of the Company.

In addition, the Group has a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the Company and the corporate guarantee by such promoter which could be triggered in certain situations and events in the manner agreed between the parties up to a maximum of Rs. 42,500 Mn. The fair value of secondary pledge is Rs. 16,800 Mn, net of promoter loan, as of March 31, 2022.

The Company has created adequate provision basis the policy followed in the past. Pursuant to such commitment, security and the guarantee by the promoter group of such customer, trade receivables are considered to be good and recoverable.

Notwithstanding the above, the potential loss of a significant customer due to its ability to continue as a going concern or the failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the Group.

**49** Financial statements for the year ended March 31, 2022 are not comparable with the previous year due to the facts as mentioned in note 3. Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year grouping.

**50** 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 that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 51 Interest in Joint Venture

"The Group had a 42% interest in erstwhile Indus Towers Limited, a joint venture involved in establishing, operating and maintaining wireless communication towers in India. The Group's interest in erstwhile Indus Towers Limited was accounted for till November 18, 2020 using the equity method in the consolidated financial statements. Pursuant to the merger, the Joint venture entity has been merged in to the Company w.e.f November 19, 2020 and become part of the Company (refer note 3). The Group has no joint venture investment as on March 31, 2022 as well as March 31, 2021. Hence, balance sheet related disclosures are not applicable, however the summarised financial information with respect to statement of profit & loss is applicable for the previous year till the date of merger i.e. November 18,2020.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 51 Interest in Joint Venture (Contd..)

### Summarised information on statement of profit and loss

Particulars	Year ended March 31, 2022	For the period from April 1, 2020 to November 18, 2020
Revenue	-	117,241
Other Income	-	1,027
Power and fuel	-	(44,293)
Rent	-	-
Employee expenses	-	(2,982)
Repairs and maintenance	-	(7,124)
Other expenses	-	(3,678)
Depreciation and amortisation	-	(24,909)
Finance cost	-	(8,027)
Finance Income	-	379
Income tax expense	-	(7,007)
Exceptional items	-	-
<b>Profit for the year/period</b>	<b>-</b>	<b>20,627</b>
Other comprehensive income for the year/period	-	(16)
Percentage of group's ownership interest	-	42%
Group's share in joint venture's profit for the year/period	-	8,663
Group's share in joint venture's other comprehensive income for the year/period	-	(7)
Group's share in joint venture's total comprehensive income for the year/period	-	8,656
<b>Dividend received from joint venture</b>	<b>-</b>	<b>4,200</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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## 52 Additional information, as required under Schedule III to the Companies act, 2013 for entities consolidated as subsidiary, controlled trust and joint ventures

Name of the entity	FY 2021-22				FY 2020-21			
	Net assets i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income	Share in total comprehensive income	Net assets i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income	Share in total comprehensive income
	As % of consolidated Amount net assets	As % of consolidated Amount net assets	As % of consolidated Amount net assets	As % of consolidated Amount net assets	As % of consolidated Amount net assets	As % of consolidated Amount net assets	As % of consolidated Amount net assets	As % of consolidated Amount net assets
<b>Parent</b>								
Indus Towers Limited (Formerly Bharti Infratel Limited)	100% 221,755	100% 63,671	100% 36	100% 63,707	100% 158,973	79% 33,382	154% 20	79% 33,402
<b>Subsidiary</b>								
Smarty Service Limited	0% 61	0% 60	0% -	0% 60	0% -	0% (55)	0% -	0% (55)
<b>Joint Venture ( as per equity method)</b>								
<b>-Indian</b>								
Erstwhile Indus Towers Limited (ceased to exist from November 18, 2020 and merged into the company w.e.f November 19, 2020)	-	0% -	0% -	0% -	-	21% 8,663	-54% (7.00)	21% 8,656
<b>Controlled Trust</b>								
Indus Towers Employee's Welfare Trust	0% (161)	0% -	0% -	0% -	0% (53)	0% 42	0% -	0% 42
<b>Total (Gross)</b>	<b>100% 221,655</b>	<b>100% 63,731</b>	<b>100% 36</b>	<b>100% 63,767</b>	<b>100% 158,920</b>	<b>100% 42,032</b>	<b>100% 13</b>	<b>100% 42,045</b>
<b>Adjustment arising out of consolidation</b>	(150)	-	-	-	(150)	(4,242)	-	(4,242)
<b>Total (net)</b>	<b>221,505</b>	<b>63,731</b>	<b>36</b>	<b>63,767</b>	<b>158,770</b>	<b>37,790</b>	<b>13</b>	<b>37,803</b>

# Independent Auditor's Report

To  
The Members of **Indus Towers Limited**  
(formerly Bharti Infratel Limited)

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone

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 standalone financial statements.

### Emphasis of Matter

#### **Material uncertainty arising out of certain developments on one of the largest customer and its consequential impact on business operations of the Company**

We draw attention to note 49 of the standalone financial statements, which describes the impact on business operations, receivables and financial position of the Company on account of one of the largest customer's financial condition and its ability to continue as a going concern.

The customer's assumption of going concern is essentially dependent on its ability to raise additional funds as required and successful negotiations with lenders for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due.

Our opinion is not modified in respect of above matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition – accuracy of revenue recorded</b></p> <p>We identified revenue recognition as a key audit matter because there is a risk around the accuracy of revenue recorded at rates other than the approved contracts / agreements. This is because the Company's billing systems are complex and process large volume of data, including combination of different components of revenue.</p> <p>(Refer to note 4.1(i) and 24 to the standalone financial statements)</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over:</p> <ul style="list-style-type: none"> <li>• Capture and recording of revenue transactions;</li> <li>• Authorisation of rates changes and input of the rate changes into the billing systems;</li> <li>• Preparation and validation of the billing schedule; and</li> <li>• Calculations of amounts billed to operators, in line with underlying contracts / agreements;</li> </ul> <p>We tested a sample of invoices issued to operators to ensure that the revenue recorded are agreeing to the relevant underlying supporting documentation. We also performed substantive analytical procedures to test the recorded rental revenue;</p> <p>We involved our internal IT specialists to test IT general controls and application specific controls surrounding billing system, including testing of system generated reports used in our audit.</p>
2	<p><b>Contingent Liabilities and Provisions: Disputed tax matters</b></p> <p>Company is subjected to a number of significant income tax litigations and indirect tax litigations ("litigations") which are in appeal before various judicial forums.</p> <p>The eventual outcome of these litigations are uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p> <p>(Refer to note 4.1(p)(ii) and note 36(b) to the standalone financial statements)</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit procedures included evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over identification of litigations and evaluation of possible outcomes around litigations.</p> <p>We obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of these tax litigations.</p> <p>We involved our internal direct and indirect tax experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice obtained by management, if any, and considered relevant legal provisions and available precedents to challenge management's underlying assumptions in estimating the possible outcome of these litigations; and</p> <p>We assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility and sustainability Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone 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 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



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

- i. The Company has disclosed the impact of pending litigations Refer Note 36(b) to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 44 to the standalone financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 45 to the standalone financial statements.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) 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 the notes to accounts, no funds (which are material either individually or in the aggregate) 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 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 mis-statement.

v. The interim dividend declared by the Company subsequent to the year end is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not due for payment on the date of this audit report.

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)

**Vijay Agarwal**

Partner

Place: Gurugram

(Membership No.094468)

Date: May 05, 2022

UDIN: 22094468AILGLP9297

# 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 Indus Towers Limited (formerly Bharti Infratel Limited) (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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.

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For Deloitte Haskins & Sells LLP**

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

**Vijay Agarwal**

Partner

Place: Gurugram

(Membership No.094468)

Date: May 05, 2022

UDIN: 22094468AILGLP9297

## 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) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, and relevant details of right-of-use assets.
- 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, certain capital work in-progress, and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included property, plant equipment are held in the name of the Company as at the balance sheet date. The Company enters into leases for immovable property relating to its operational sites which are very large in terms of count. As informed by the Company, considering the nature of its business for such leases, (i) it is practically not possible to renew leases as and when the term expires, (ii) the negotiation process takes time and till the time it is finalized the terms and conditions of the lease continue to be based on the agreed terms and conditions, and (iii) historically majority of leases gets renewed. In respect of immovable properties (including aforesaid leases) that have been taken on lease and disclosed in the financial statements as right-of use assets as at the balance sheet date, the lease agreements are duly executed in favour of the Company other than aforesaid leases that are under renewal or negotiation.

- (d) The Company has not revalued any of its property, plant and equipment including Right of Use assets and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has granted unsecured loans to company and other party during the year, in respect of which:
- (a) The Company has provided loans during the year and details of which are given below:

A. Balance outstanding at beginning of year:	Loans (Rs. In mn)
- Wholly owned subsidiary	192
- Controlled Trust	56
B. Aggregate amount granted / provided during the year:	
- Wholly owned subsidiary	(109)
- Controlled Trust	108
C. Balance outstanding as at balance sheet date in respect of above cases:*	
- Wholly owned subsidiary	83
- Controlled Trust	164
Percentage of loans/advances in nature of loans to the total loans	100%

\* The amounts reported are at gross amounts, without considering provisions made.

The Company has not provided any guarantee or security to any other entity during the year.

- (b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion,

since the subsidiary is wholly owned by Parent and it is employee welfare trust, prima facie, loan granted is not prejudicial to the Company's interest.

- (c) The Company has granted loans which are payable on demand. During the year the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company. Accordingly, in our opinion the principal amounts and interest is not due and are considered regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans granted by the Company have fallen due during the year.
- (f) The Company has granted Loans which are repayable on demand as indicated in subclause (a) above in respect of wholly owned subsidiary.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or

provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, 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) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, 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) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statue	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (in millions)#
The Income Tax Act, 1961	Corporate Tax	Financial Year 2009-10 to 2013-14 & Financial Year 2015-16 to 2017-18	CIT(A)-31	34,578
The Income Tax Act, 1961	Corporate Tax	Financial Year 2016-17 to 2018-19	National Faceless Appeal Authority	359
The finance Act, 1994	Service Tax on Capital Goods	Financial Year 2007-08 to 2015-16	Hon'ble Supreme Court of India	35,392
The finance Act, 1994	Service Tax on Service Revenue	Financial Year 2009-10 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh	2,462
The finance Act, 1994	Service Tax on sale of Capital Goods	Financial Year 2015-16 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh	683



Name of Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (in millions)#
The finance Act, 1994	Service Tax on sale of Capital Goods	Financial Year 2010-11 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal, Delhi	1,623
Goods and Service Tax Act	GST	Financial Year 2017-18 to 2018-19	Asst. Commissioner State-Tax, Patliputra Circle	1,054
West Bengal GST Act	Shortfall in GST	Financial Year 2018-19	Assistant Commissioner of Revenue, Govt. of West Bengal	891
Bihar Entry Tax Act, Jammu and Kashmir Entry Tax Act, Madhya Pradesh Entry Tax Act, Himachal Pradesh Entry Tax Act, Mizoram Entry Tax Act, Assam Entry Tax Act, Orissa Entry Tax Act, Rajasthan Entry Tax Act, Nagaland Entry Tax Act	Entry Tax	From Financial Year 2007 - 08 To F 2018 - 19	Hon'ble High Court	88
Bihar Entry Tax Act	Entry Tax	Financial Year 2007-08 and Financial Year 2014-15	Additional Commissioner Commercial Tax Tribunal	46
Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act, Himachal Pradesh Entry Tax Act	Entry Tax	Financial Year 2007-08 to 2013 - 14	Tribunal	62
Assam Entry Tax Act	Entry Tax	Financial Year 2014-15	Assistant Commissioner of Taxes	*
Uttar Pradesh Entry Tax Act	Entry Tax	Financial Year 2008-09 & 2009-10	Deputy Commissioner	*
The Gujarat Value Added Tax, 2003	VAT on service Revenue	Financial Year 2009-10 to 2013-14	Gujarat High Court	745
The Gujarat Value Added Tax, 2003	VAT on service Revenue	Financial Year 2011-12 to 2014-15	Hon'ble Supreme Court of India	4,525
The Gujarat Value Added Tax, 2003	VAT on service Revenue	Financial Year 2014-15 to 2017-18	Gujarat Value Added Tax Tribunal, Ahmedabad	14,133
Kerala VAT	Assessment order	Financial Year 2014-15	Joint Commissioner (Appeals)	75
Kerala VAT	Assessment order	Financial Year 2015-16 & Financial Year 2016-17	Office of the Deputy Commissioner (WC)	44
Rajasthan Entry Tax Act	Entry Tax - Original Assessment	Financial Year 2008-09 to 2017-18	Hon'ble Rajasthan High Court	163
The Central Sales Tax Act, 1956, Gujarat	Non submission of C forms and F Forms	Financial Year 2014-15 to 2017-18	Deputy Commissioner (Appeals)	136
The Central Sales Tax Act, 1956, Kerala	Non-submission of "C" Forms and Deemed Sales matter	Financial Year 2014-15	Joint Commissioner (Appeals)	10

Name of Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (in millions)#
The Central Sales Tax Act, 1956, Kerala	Assessment order	Financial Year 2015-16 to 2017-18	Office of Deputy Commissioner (WC)	10
The Central Sales Tax Act, 1956, Delhi	Non-submission of statutory forms	Financial Year 2016-17	Assistant Commissioner	72
The Central Sales Tax Act, 1956, Delhi	Non-submission of statutory forms	Financial Year 2017-18	AVATO	15
The Central Sales Tax Act, 1956, Telangana, Punjab, Maharashtra, Haryana & UP	CST	Financial Year 2008-09, Financial Year 2012-2013 to 2018-2019	Respective sales tax authorities	8
Maharashtra VAT	VAT	Financial Year 2011 to 2013	Appellate Authority, Additional Commissioner of Commercial Tax, JC of Sales Tax	*
Arunachal Pradesh VAT	VAT	Financial Year 2015-16	Appellate Authority	*
Uttar Pradesh, Madhya Pradesh & Jharkhand VAT	VAT	Financial Year 2008-09, 2011-12, 2016-17 & 2017-18	Respective sales tax authorities	1
Bihar Value Added Tax Act, 2005	VAT	Financial Year 2014-15	Joint Commissioner	*
Delhi GST	GST	Financial Year 2019-20	Appellate Authority	*
Kerala VAT	VAT	Financial Year 2008-09	DC(A)	*
AP Municipal Corporation Act, 1994	Property tax	Financial year 2012-13	High Court of Telangana	1
Bihar Communication Towers and Related Structure Rules, 2012 (Rules 2012)	Towers Fees	Financial year 2015 Onwards	Different Concerned Local Authorities of Bihar	217
Bombay Municipal Corporation, 1949	Permission fee	Financial year 2010-22	Bombay High Court	203
Bye-Laws dated 28/01/2017 issued by the Lakhimpur Zila Panchayat	License fees	Financial year 2017 onwards	Special Secretary IT & Electronics	2
Communication and Connectivity Infrastructure Policy (CCIP) - 2017	Tower/Permission Fees	Financial year 2021-22	Punjab and Haryana High Court, Chandigarh	9
Delhi Municipal Corporation Act, 1957	Property tax	Financial year 2004-13	Delhi High Court	266
Gujarat Industrial Development Corporation Act, 1962	Property Tax, Sublet Charges, installation charges and Penalty	Financial year 2005 Onwards	Gujarat High Court	197
Gujarat Panchayat Act, 1993 & Gujarat Gram and Nagar Panchayat Taxes Rule, 1964	Property Tax	Financial year 2008-20	Gujarat High Court	14

Name of Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (in millions)#
Gujarat Provincial Municipal Corporations Act, 1949	Property Tax	Financial year 2013-17	Gujarat High Court	199
Indian Stamp Act, 1899	Stamp Duty	Financial year 2014-15	Rajasthan High Court, Jaipur	22
		Financial year 2008	Chief Controlling Revenue Authority, Allahabad	*
		Financial year 2006	Bombay High Court	121
		Financial year 2018	District Court Patiala House, New Delhi	9
		Financial year 2014	Allahabad High Court	*
Karnataka Municipal Corporation Act, 1976	Municipal Tax	Financial year 2016 onwards	High Court of Karnataka	2
Karnataka Panchayat Raj (2nd Amendment) Act, 2015	Municipal Tax	Financial year 2016 onwards	High Court of Karnataka	100
Maharashtra Municipal Corporation Act, 1949 (MMC)	Penalty/Interest for alleged unauthorized construction of towers	Financial year 2008-22	Bombay High Court	5,582
Maharashtra Municipal Corporation Act, 1949 (MMC)	Penalty/Interest for alleged unauthorized construction of towers	Financial year 2010-22	Panvel Municipal Corporation	20
Maharashtra Municipal Council, 1965	Penalty/Interest for alleged unauthorized construction of towers	Financial year 2015-22	District Court	*
MMC, MLRC, Maharashtra Municipal Councils, Nagar Panchayats And Industrial Townships Act, 1965, BVP	Penalty/Interest for alleged unauthorized construction and Land Conversion Tax of towers	Financial year 2008-22	Different Concerned Local Authorities of Maharashtra	903
Office Order dated 14/12/2018 passed by MBMC	Permission fee	Financial year 2010-22	Bombay High Court	22
The Bombay Village Panchayat Act, 1958 (BVP)	Property Tax and Penalty/Interest	Financial year 2008-22	Bombay High Court	361
The Maharashtra Land Revenue Code, 1966 (MLRC)	Non-Agricultural Tax/ Penalty	Financial year 2008-22	Bombay High Court	353
U P Zila Panchayat Adhiniyam	Alleged Dues for recurring license fee on operation of mobile towers in the jurisdiction of Lalitpur Zila Panchayat	Financial year 2018	Allahabad High Court	1
Uttar Pradesh Municipal Corporation Act, 1959	License Fees	Upto Financial year 2021	Allahabad High Court	34

\* - Less than Rs. 1 million

#- Net of amount paid under protest amounting to Rs.428 mn, Rs.3,040 mn, Rs.10 mn, Rs.1,761 mn, Rs.6 mn, Rs.30 mn and Rs.343 mn against Service tax, Income tax, VAT, Entry tax, CST, GST and Municipal tax/ property tax/ stamp duty respectively.

- (viii) (a) 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) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary company. The Company does not have investment in associates and joint ventures.
- (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 (x)(a) of the Order is not applicable. Moneys raised by way of commercial papers during the year have been, prima facie, applied by the Company for the purposes for which they were raised.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) 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 subsection (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) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
- (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 177 and 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.
- (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 31st December 2021 and the draft of the internal audit reports where issued after the balance sheet date covering the period 1st January 2022 to 31st March 2022 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) As informed by the promoters of the Company, the promoter group has more than one CIC as part of the promoter group. There are 4 CIC forming part of the promoter 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) (a) In respect of other than ongoing projects, 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 second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

**For Deloitte Haskins & Sells LLP**

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

**Vijay Agarwal**

Partner

(Membership No.094468)

Place: Gurugram

Date: May 05, 2022

UDIN: 22094468AILGLP9297



# Balance Sheet

as at March 31, 2022

(Amounts in millions of Indian Rupees)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5 (a)	208,600	215,672
Right of use assets	5 (b)	109,210	101,978
Capital work-in-progress	5 (a)	1,774	2,711
Intangible assets	5 (a)	332	51
Financial assets			
Investments	6	150	150
Other financial assets	7	11,095	10,718
Income tax assets (net)		6,838	7,279
Other non-current assets	9	18,618	14,583
		<b>356,617</b>	<b>353,142</b>
<b>Current assets</b>			
Financial assets			
Investments	6	16,521	22,714
Trade receivables	10	70,582	38,285
Cash and cash equivalents	11	9,800	130
Other financial assets	7	23,754	29,591
Other current assets	12	2,611	5,605
		<b>123,268</b>	<b>96,325</b>
<b>Total assets</b>		<b>479,885</b>	<b>449,467</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	26,949	26,949
Other equity	14	194,806	132,024
		<b>221,755</b>	<b>158,973</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	23,739	15,051
Lease liabilities	16	120,877	112,189
Other financial liabilities	17	5,708	5,236
Provisions	18	17,198	15,666
Deferred tax liabilities (net)	8	922	711
Other non-current liabilities	19	1,462	2,178
		<b>169,906</b>	<b>151,031</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	31,129	66,590
Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		520	373
- Total outstanding dues of creditors other than micro enterprises and small enterprises		20,730	32,202
Lease liabilities	16	21,515	21,769
Other financial liabilities	22	6,510	11,294
Other current liabilities	23	5,161	5,436
Provisions	18	535	481
Current tax liabilities (net)		2,124	1,318
		<b>88,224</b>	<b>139,463</b>
<b>Total liabilities</b>		<b>258,130</b>	<b>290,494</b>
<b>Total equity and liabilities</b>		<b>479,885</b>	<b>449,467</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited****Vijay Agarwal**

Partner

Membership No: 094468

**Harjeet Kohli**

Director

**Ravinder Takkar**

Director

**Bimal Dayal**

Managing Director &amp; CEO

Place: Gurugram

Date: May 05, 2022

**Vikas Poddar**

Chief Financial Officer

**Samridhi Rodhe**

Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

Particulars	Note	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	24	277,082	139,508
Other income	25	3,525	6,168
<b>Total income</b>		<b>280,607</b>	<b>145,676</b>
<b>Expenses</b>			
Power and fuel	26	102,653	51,529
Employee benefit expense	27	7,722	5,126
Repairs and maintenance	28	13,467	7,246
Other expenses	29	3,935	3,021
<b>Total expenses</b>		<b>127,777</b>	<b>66,922</b>
<b>Profit before depreciation and amortization, finance costs, finance income, charity and donation and tax</b>		<b>152,830</b>	<b>78,754</b>
Depreciation and amortization expenses	30	54,173	29,858
Less: adjusted with General Reserve in accordance with the Scheme of arrangement (refer note 42)	30	(970)	(1,429)
		<b>53,203</b>	<b>28,429</b>
Finance costs	31	16,022	8,351
Finance income	31	(1,060)	(1,992)
Charity and donation	43	422	806
<b>Profit before tax</b>		<b>84,243</b>	<b>43,160</b>
<b>Income tax expense:</b>		<b>20,572</b>	<b>9,778</b>
Current tax	8	20,373	9,850
Deferred tax	8	199	(72)
<b>Profit for the year</b>		<b>63,671</b>	<b>33,382</b>
<b>Other comprehensive income ('OCI')</b>			
<b>Items that will not be re-classified to profit or loss</b>			
Remeasurements gains/(losses) of defined benefit plans (net of tax)		36	20
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>36</b>	<b>20</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>63,707</b>	<b>33,402</b>
Earnings per equity share (Nominal value of share is Rs. 10 each)			
Basic	32	23.626	15.472
Diluted	32	23.626	15.472

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**

Partner

Membership No: 094468

**Harjeet Kohli**

Director

**Ravinder Takkar**

Director

**Bimal Dayal**

Managing Director & CEO

Place: Gurugram

Date: May 05, 2022

**Vikas Poddar**

Chief Financial Officer

**Samridhi Rodhe**

Company Secretary

# Statement of changes in equity

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

## A. Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No of shares (in thousands)	(Rs. in Mn)
<b>As at April 1, 2020</b>	<b>1849,608</b>	<b>18,496</b>
Issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	845,329	8,453
<b>As at March 31, 2021</b>	<b>2694,937</b>	<b>26,949</b>
<b>As at April 1, 2021</b>	<b>2694,937</b>	<b>26,949</b>
<b>As at March 31, 2022</b>	<b>2694,937</b>	<b>26,949</b>

## B. Other Equity

Particulars	Reserves and surplus						Other comprehensive income	Total equity
	Securities premium	Share based payment reserve	General reserve	Capital reserve	Merger capital reserve	Capital redemption reserve		
<b>As at April 1, 2020</b>	48,837	60	58,298	-	-	471	12,659	120,313
Profit for the year	-	-	-	-	-	-	33,382	33,382
Other comprehensive income	-	-	-	-	-	-	20	20
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>33,382</b>	<b>33,402</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	-	15,224	4,536	(47,982)	-	67,984	39,646
Stamp duty on issue of shares on merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(8)	-	-	-	-	-	-	(8)
Gross compensation for options exercised during the year	-	(47)	-	-	-	-	-	(47)
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement	-	-	(1,449)	-	-	-	-	(1,449)
Amount transferred to stock options outstanding during the vesting period	-	28	-	-	-	-	-	28
Premium on exercise of ESOP's *	-	-	(1)	-	-	-	(59,860)	(1)
Dividend on equity shares	-	-	-	-	-	-	-	(59,860)
Others	-	-	-	-	-	-	3	(3)
<b>As at March 31, 2021</b>	<b>48,829</b>	<b>41</b>	<b>72,072</b>	<b>4,536</b>	<b>(47,982)</b>	<b>471</b>	<b>54,168</b>	<b>132,024</b>

# Statement of changes in equity

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

## B. Other Equity (Contd..)

Particulars	Securities premium	Reserves and surplus				Retained earnings	Other comprehensive income	Total equity
		Share based payment reserve	General reserve	Capital reserve	Merger capital reserve			
<b>As at April 1, 2021</b>	48,829	41	72,072	4,536	(47,982)	471	54,168	132,024
Profit for the year	-	-	-	-	-	-	63,671	63,671
Other comprehensive income	-	-	-	-	-	-	36	36
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>63,671</b>	<b>63,707</b>
Gross compensation for options exercised during the year	-	(33)	-	-	-	-	-	(33)
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement	-	-	(970)	-	-	-	-	(970)
Amount transferred to stock options outstanding during the vesting period	-	90	-	-	-	-	-	90
Premium on exercise of ESOP's *	-	-	(12)	-	-	-	-	(12)
<b>As at March 31, 2022</b>	<b>48,829</b>	<b>98</b>	<b>71,090</b>	<b>4,536</b>	<b>(47,982)</b>	<b>471</b>	<b>117,839</b>	<b>194,806</b>

\* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during the year (net of forfeiture).

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**

Partner

Membership No: 094468

**Harjeet Kohli**

Director

**Ravinder Takkar**

Director

**Bimal Dayal**

Managing Director & CEO

Place: Gurugram

Date: May 05, 2022

**Vikas Poddar**

Chief Financial Officer

**Samridhi Rodhe**

Company Secretary

# Statement of Cash Flows

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees)

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before taxation	84,243	43,160
<b>Adjustments for</b>		
Depreciation and amortization expense	53,203	28,429
Finance income	(1,060)	(1,992)
Finance costs	16,022	8,351
Dividend income from joint venture (erstwhile Indus Towers Limited)	-	(4,200)
Profit on sale of property, plant and equipment	(2,551)	(823)
Provision for doubtful debts and advances (net)	(1,177)	(456)
Revenue equalisation	(3,439)	(2,073)
Others	(1,138)	(1,237)
<b>Operating profit before changes in assets and liabilities</b>	<b>144,103</b>	<b>69,159</b>
Decrease/(Increase) in other financial assets	5,443	(3,145)
Decrease/(Increase) in other assets	2,528	(1,064)
Decrease/(Increase) in trade receivables	(30,981)	24,241
Increase/(Decrease) in other financial liabilities	(110)	(112)
Increase/(Decrease) in provisions	362	(193)
Increase/(Decrease) in other liabilities	(554)	(3,399)
Increase/(Decrease) in trade payables	(10,541)	81
<b>Cash generated from operations</b>	<b>110,250</b>	<b>85,568</b>
Income tax paid (net of refunds)	(19,126)	(10,795)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>91,124</b>	<b>74,773</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(32,885)	(21,169)
Proceeds from sale of property, plant & equipment	4,154	1,666
Investment in mutual funds	(105,535)	(98,329)
Proceeds from sale of mutual funds	111,926	131,268
Loan repaid by trust	-	108
Loan given to trust	(154)	(25)
Interest received	585	392
Dividend received	-	4,200
Investment in subsidiary	-	(30)
Loan (given)/received back to/from subsidiary	109	(3)
Others	(16)	(36)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(21,816)</b>	<b>18,042</b>



# Statement of Cash Flows

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees)

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	162,422	149,640
Repayment of borrowings	(189,144)	(133,325)
Payment made to Vodafone Idea Ltd. pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	(37,642)
Stamp duty on issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	(8)
Dividend paid	-	(59,860)
Interest paid	(4,417)	(1,450)
Repayment of lease liabilities (including interest)	(28,497)	(11,163)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(59,636)</b>	<b>(93,808)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>9,672</b>	<b>(993)</b>
Cash and cash equivalents at the beginning of the year	128	1,119
Cash and cash equivalents pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	2
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>9,800</b>	<b>128</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Vijay Agarwal**

Partner

Membership No: 094468

**Harjeet Kohli**

Director

**Ravinder Takkar**

Director

**Bimal Dayal**

Managing Director & CEO

Place: Gurugram

Date: May 05, 2022

**Vikas Poddar**

Chief Financial Officer

**Samridhi Rodhe**

Company Secretary

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 1. Corporate information

Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Indus') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited. The Registered office of the Company has been shifted from 901, Park Centra, Sector-30 NH-8, Gurugram Haryana-122001 to Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana w.e.f. August 6, 2021.

The Scheme of amalgamation and arrangement between the Company and erstwhile Indus Towers Limited (a joint venture company) became effective on November 19, 2020. Upon implementation of the Scheme, the joint venture company (i.e. erstwhile Indus Towers Limited) merged into the Company on a going concern basis. Further, the name of the Company was changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020 vide Certificate of Incorporation pursuant to change of name issued by Registrar of Companies.

Upon implementation of the Scheme and allotment of shares to indirect wholly owned subsidiaries of Vodafone Group Plc., in addition to existing promoters (representing Bharti Airtel Limited along with its wholly owned subsidiary Nettle Infrastructure Investments Limited), the aforesaid indirect wholly owned subsidiaries of Vodafone Group Plc. have also been classified as promoters of the Company. During the quarter ended March 31, 2022, the shareholding of promoters has undergone a change. As on March 31, 2022, Bharti Airtel Limited along with its wholly owned subsidiary Nettle Infrastructure Investments Limited held 46.44% shares\* and Vodafone Group Plc. through its indirect wholly owned subsidiary companies held 21.05% shares in the Company.

*\*Additionally, 11,96,285 shares representing 0.04% of share capital of the Company acquired by Nettle Infrastructure Investments Limited on March 30, 2022 has not been captured in the beneficial position as on March 31, 2022 received from the depositories, and accordingly, the same has not been considered by the Company while reporting above and in the shareholding pattern for March 31, 2022.*

The financial statements are approved for issuance by the Company's Board of Directors on May 05, 2022.

## 2. a) Statement of Compliance

The Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other relevant provisions of the Companies Act, 2013 (the Act) as amended from time to time.

## b) Basis of preparation

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

## 3. Merger of 'erstwhile Indus Towers Limited' with 'the Company'

On April 25, 2018, Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Transferee Company') and its Joint Venture Company erstwhile Indus Towers Limited ('erstwhile Indus' or 'Transferor Company') and their respective shareholders and creditors entered into a scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The Scheme has received requisite approvals from Competition Commission of India, Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited and FDI approval from Department of Telecommunications ('DoT'). The Company has also received approval from National Company Law Tribunal ('NCLT'), Chandigarh on May 31, 2019 read with the order dated October 22, 2020. Furthermore, the Company has filed the certified copy of the NCLT order with the Registrar of Companies on November 19, 2020 i.e. the effective date of merger. Upon the Scheme

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

becoming effective the erstwhile Indus stood dissolved without being wound-up.

As a result of above scheme, Bharti Airtel group through its subsidiary i.e Bharti Infratel Limited and Vodafone group through its joint venture i.e. erstwhile Indus Towers Limited contributed assets and liabilities to the merged entity i.e Bharti Infratel Limited and have become promoters of the Company. Furthermore, the name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020.

In compliance with the Scheme, 845,328,704 equity shares of the Company were issued to the shareholders of erstwhile Indus which have been recorded at face value of Rs. 10 per equity share and Rs. 37,642 Mn (inclusive of 41 Mn paid after effective date of merger) was paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company. The stamp duty paid on issue of shares amounting to Rs. 8 Mn has been debited to Securities Premium Account.

As per Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, no specific

accounting guidance is given in case of formation of such arrangement, hence, the Company had an option to either account for such business combination using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of erstwhile Indus have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger. The financial information in the financial statement in respect of prior periods are not restated as the business combination was not involving entities under common control.

On the date of Scheme becoming effective, the Company has combined assets, liabilities and components of other equity of the erstwhile Indus on line by line basis. Furthermore, the Company has recognised impact of alignment of accounting practices and estimates of Rs. 589 Mn through General Reserve and Rs. 123 Mn (net of tax) through the Statement of profit and loss for the year ended March 31, 2021.

**A) The carrying balances of the erstwhile Indus which have been added to the respective line items in the Balance Sheet of the Company on the effective date of merger are as under:**

Particulars	Amount as on the effective date of merger
<b>Assets</b>	
<b>Non current Assets</b>	
Property, plant and equipment	164,884
Right of use assets	82,228
Capital work-in-progress	2,429
Intangible assets	109
Financial assets	
Other financial assets	9,166
Income tax assets (net)	6,432
Other non-current assets	10,061
	<b>275,309</b>
<b>Current assets</b>	
Financial assets	
Trade receivables	57,917
Cash and cash equivalents	2
Other financial assets	22,044
Other Current Assets	1,970
	<b>81,933</b>
<b>Total assets</b>	<b>357,242</b>

# Notes to Financial Statements

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Particulars	Amount as on the effective date of merger
<b>Equity and liabilities</b>	
<b>Equity</b>	
Equity share capital	1
Other equity	146,043
	<b>146,044</b>
<b>Liabilities</b>	
<b>Non-Current liabilities</b>	
Financial Liabilities	
Borrowings	9,101
Lease liabilities	89,007
Other financial liabilities	3,965
Provisions	11,812
Deferred tax liabilities (net)	2,216
Other non-current liabilities	1,970
	<b>118,071</b>
<b>Current Liabilities</b>	
Financial liabilities	
Borrowings	22,416
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	98
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,173
Lease liabilities	17,765
Other financial liabilities	17,099
Other current liabilities	7,972
Provisions	552
Current tax liabilities (net)	2,052
	<b>93,127</b>
<b>Total liabilities</b>	<b>211,198</b>
<b>Total equity and liabilities</b>	<b>357,242</b>

**B) The impact on other equity on the effective date of merger is as follows:**

Particulars	Reserve and surplus				Other comprehensive income	Total equity
	Capital reserve	General Reserve	Merger capital reserve	Retained Earnings		
Reserves of erstwhile Indus	4,536	73,257	-	68,366	(116)	146,043
Investment of the Company into erstwhile Indus*	-	(58,033)	(1,888)	(382)	-	(60,303)
Cash paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company	-	-	(37,642)	-	-	(37,642)

# Notes to Financial Statements

for the year ended March 31, 2022

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## B) The impact on other equity on the effective date of merger is as follows:

Particulars	Reserve and surplus				Other comprehensive income	Total equity
	Capital reserve	General Reserve	Merger capital reserve	Retained Earnings		
Share capital of erstwhile Indus less share capital issued by the Company	-	-	(8,452)	-	-	(8,452)
<b>Total</b>	<b>4,536</b>	<b>15,224</b>	<b>(47,982)</b>	<b>67,984</b>	<b>(116)</b>	<b>39,646</b>

\* During the year ended March 31, 2014, under the Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to erstwhile Indus was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and had become part of erstwhile Indus. The Company was carrying investment in BIVL at Rs. 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in erstwhile Indus in lieu of transfer of its investment in BIVL to erstwhile Indus and recorded these additional shares at their fair value of Rs. 60,419 Mn in accordance with the scheme. The resultant gain of Rs. 382 Mn (net of taxes Rs. 116 Mn) has been disclosed as adjustment to carry forward balance of the Statement of Profit and Loss as at April 1, 2009.

The merger of erstwhile Indus with the Company has been accounted as per 'Pooling of interest' method according to which the identity of the reserves (of the transferor) shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Consequently, all the reserves of the transferor (erstwhile Indus) have been recorded at their respective book values and their identity has been preserved.

Upon the merger becoming effective, the investment in Joint Venture (erstwhile Indus) has been cancelled by debiting the General Reserve to the extent available (i.e. Rs. 58,033 Mn) in the books of the Transferee Company, which was created out of the "BAL Scheme" (refer Note 42(a) for details of BAL scheme). There is no restriction for making adjustment to the reserves in the books of the transferee, and in accordance with the BAL scheme, such "General Reserve shall constitute free reserve available for all purposes of the Company and to be utilised by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company". Further, earlier recognised gain of Rs. 382 Mn and deferred tax liability of Rs. 116 Mn have been reversed and the balance amount of investment in joint venture i.e. Rs. 1,888 Mn has been debited to the merger Capital Reserve on account of cancellation of such investment.

In addition to above, difference between share capital of erstwhile Indus of Rs. 1 Mn and shares issued by the

Company of Rs. 8,453 Mn and cash paid of Rs. 37,642 Mn to the shareholders of the erstwhile Indus have resulted into debit balance of Merger Capital Reserve.

## 4. Significant accounting policies, judgements, estimates and assumptions

### 4.1 Significant accounting policies

#### a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.



# Notes to Financial Statements

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The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4.2 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

Particulars	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant and Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life, whichever is less

The existing useful lives and residual value of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing residual values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and

equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

## b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years.

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.

## c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's

# Notes to Financial Statements

for the year ended March 31, 2022

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recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in the Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

## d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated 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 or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is 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

Current liabilities include the current portion of long-term liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## e) Leases

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

### Company as a lessee

The Company recognizes right-of-use asset (ROU) representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any

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lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

The Company may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company has opted to recognize the asset retirement obligation liability as part of the cost of an item of property, plant and equipment in accordance with Ind AS 16.

## Company as a lessor

At the inception date, leases are classified as a finance lease or an operating lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

## f) Share-based payments

The Company issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in the Statement of Profit and Loss.

At the vesting date, the Company's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding

# Notes to Financial Statements

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increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any, is reflected as additional share dilution in the computation of diluted earnings per share.

## g) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

## h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Financial Assets

### Initial Recognition and 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, transaction costs that are attributable to the acquisition of the financial asset.

### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt Instruments at Amortised Cost

This category applies to the Company's trade receivables, unbilled revenue, security deposits etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

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## Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Company has classified investment in tax free bonds within this category.

## Debt instrument at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. This category applies to the Company's investment in government securities, mutual funds, taxable bonds and non convertible debentures.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

## Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103 applies are classified as at fair value through Profit or loss. There are no such equity investments measured at fair value through profit or loss or fair value through other comprehensive income in the company.

**De-recognition:-** A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) The contractual rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly,



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twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

## Financial Liabilities

### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, security deposits, lease liabilities etc.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative

gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

#### Financial Liabilities at Amortised cost

This category includes security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### De-recognition

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

#### Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following

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the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## i) Revenue Recognition

The Company earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

Revenue is recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

### Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Company has ascertained that the lease payment received are straight lined over the period of the contract.

Exit Charges on site exit and equipment de-loading is recognised when uncertainty relating to such exit and de-loading is resolved and it is probable that a significant reversal relating to recoverability of these charges will not occur.

Interest on delayed payment from operators is recognized as income when uncertainty relating to amount receivable is resolved and it is probable that a significant reversal relating to this amount will not occur.

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized for the services rendered for the period falling after the last invoice raised to customer till the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Company collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Company, hence it is excluded from revenue.

### Use of significant judgements in revenue recognition

The Company's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

# Notes to Financial Statements

for the year ended March 31, 2022

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In evaluating whether a significant revenue reversal will not occur, the Company considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Company with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Company provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Company is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

There is no additional impact of SLA penalty as the Company already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Determination of standalone selling price does not involve significant judgement for the Company. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

## Dividend Income

Dividend Income is recognized when the right to receive payment is established, which is generally on the date when shareholders approve the dividend in case of final dividend and approval by Board of Directors in case of interim dividend.

## j) Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in the Statement of Profit and Loss. Interest income is recognised as it accrues in the Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

## k) Other income

Other income includes dividend income, interest on income tax refund, gain on sale of property, plant and equipment etc. Any gain or loss arising on derecognition of property, plant and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

## l) Finance cost

Finance costs comprise Borrowing cost, interest expense on lease obligations, accretion of interest on site restoration obligation and security deposits received.

## m) Income 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 other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

### 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 as current income tax assets / liabilities. Any interest, related to accrued

# Notes to Financial Statements

for the year ended March 31, 2022

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liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The expense on dividends are linked directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore the company shall recognise the income tax on dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

## Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. 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.

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 utilized. 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 related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

## n) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the

discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## o) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered. All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences and bonus etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Company post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in the Statement of Profit and Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees (including contractual employees as per their terms of contract) at retirement or termination of employment based on

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out half yearly by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of the Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Company provides other benefits in the form of compensated absences and long term service awards. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Company records the liability based on actuarial valuation computed under projected unit credit

method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs.

## p) Provisions

### (i) 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

### (ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



# Notes to Financial Statements

for the year ended March 31, 2022

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## (iii) Asset Retirement Obligations

Asset retirement obligations ('ARO') are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

ARO are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

## q) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## r) Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

# Notes to Financial Statements

for the year ended March 31, 2022

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This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

## s) Foreign Currency

### Functional and presentation currency

The Company's financial statements are presented in Indian Rupees ('INR' or 'Rs.'). which is also the Company's functional currency. Presentation currency is the currency in which the Company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in INR has been rounded to the nearest of million rupees, except where otherwise stated.

### Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## t) Share capital

### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and

share options are recognised as a deduction from equity, net of any tax effects.

## u) Non-GAAP measure of financial performance

Profit before depreciation and amortization, finance cost, finance income, charity and donation and tax is an important measure of financial performance relevant to the users of financial statements and stakeholders of the Company. Hence, the Company presents the same as an additional line item on the face of the Statement of Profit and Loss considering such presentation is relevant for understanding of the Company's financial position and performance.

## 4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### a) Leases

##### Company as lessor

The Company has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Company, that such contracts are in the nature of operating lease and has accounted for as such.

# Notes to Financial Statements

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Lease rentals under operating leases are recognised as income on straight line basis over the lease term.

## Company as lessee

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics.

## Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### b) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in the Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognised in the statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation increase.

### c) Property, plant and equipment

Refer Note 4.1(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their

# Notes to Financial Statements

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carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the period ended March 31, 2021, the Company has revised the useful life of civil work included in Plant and machinery from 15 years to 20 years with effect from December 1, 2020. Set out below is impact of such change on future period depreciation:

Particulars	Year ended March 31, 2021	Year ended March 31, 2022
Decrease in Depreciation	405	1,043

Further, the Company has also reassessed useful life from 15 years to 20 years and estimate of dismantling obligation for Asset retirement obligation w.e.f. December 1, 2020 and has taken the credit of Rs. 184 Mn in the Statement of Profit and Loss for the year ended March 31, 2021.

## d) Allowance of doubtful trade receivable

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 180 / 90 days past due from related parties and 90 days past due from other customers. 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.

## e) Asset retirement obligation

The Company uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

## f) Share based payment

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

## g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## 4.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

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On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

## **Ind AS 103 – Reference to Conceptual Framework**

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

## **Ind AS 16 – Proceeds before intended use**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption

of this amendment is annual periods beginning on or after April 1, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

## **Ind AS 109 – Annual Improvements to Ind AS**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company does not expect the amendment to have any significant impact in its financial statements.



# Notes to Financial Statements

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## 5 (a) Property, plant and equipment, Capital work-in-progress and Intangible assets

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Capital work-in-progress	Intangible assets <sup>#</sup>
<b>Cost or valuation</b>									
<b>As at April 1, 2020</b>	<b>2</b>	<b>150,641</b>	<b>254</b>	<b>2</b>	<b>924</b>	<b>357</b>	<b>152,180</b>	<b>533</b>	<b>664</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	2	393,140	528	-	944	815	395,429	2,429	2,078
Additions	-	22,712	9	-	54	22	22,797	22,535	8
Disposals/adjustments	-	(7,593)	(6)	(2)	(53)	-	(7,654)	(22,786)	(3)
<b>As at March 31, 2021</b>	<b>4</b>	<b>558,900</b>	<b>785</b>	<b>-</b>	<b>1,869</b>	<b>1,194</b>	<b>562,752</b>	<b>2,711</b>	<b>2,747</b>
Additions	-	29,614	2	-	94	7	29,717	28,690	506
Disposals/adjustments	-	(20,647)	(58)	-	(76)	(89)	(20,870)	(29,627)	-
<b>As at March 31, 2022</b>	<b>4</b>	<b>567,867</b>	<b>729</b>	<b>-</b>	<b>1,887</b>	<b>1,112</b>	<b>571,599</b>	<b>1,774</b>	<b>3,253</b>
<b>Accumulated depreciation/ amortisation</b>									
<b>As at April 1, 2020</b>	<b>-</b>	<b>100,220</b>	<b>230</b>	<b>1</b>	<b>902</b>	<b>292</b>	<b>101,645</b>	<b>-</b>	<b>567</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	228,460	490	-	812	783	230,545	-	1,969
Charge for the year	-	21,631	21	-	75	20	21,747	-	160
Disposals/adjustments	-	(6,797)	(6)	(1)	(53)	-	(6,857)	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>343,514</b>	<b>735</b>	<b>-</b>	<b>1,736</b>	<b>1,095</b>	<b>347,080</b>	<b>-</b>	<b>2,696</b>
Charge for the year	-	34,915	12	-	115	50	35,092	-	225
Disposals/adjustments	-	(18,976)	(44)	-	(74)	(79)	(19,173)	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>359,453</b>	<b>703</b>	<b>-</b>	<b>1,777</b>	<b>1,066</b>	<b>362,999</b>	<b>-</b>	<b>2,921</b>
<b>As at March 31, 2021</b>	<b>4</b>	<b>215,386</b>	<b>50</b>	<b>-</b>	<b>133</b>	<b>99</b>	<b>215,672</b>	<b>2,711</b>	<b>51</b>
<b>As at March 31, 2022</b>	<b>4</b>	<b>208,414</b>	<b>26</b>	<b>-</b>	<b>110</b>	<b>46</b>	<b>208,600</b>	<b>1,774</b>	<b>332</b>

During the year ended March 31, 2021, the lenders have a first charge on pari-passu basis by way of hypothecation of the Company's entire plant and equipments, including tower assets, related equipment and spares, tools and accessories, furniture and fixtures, vehicles and all other movable assets, present and future. The security interest ranks pari-passu amongst all secured lenders. However, there is no such charge on assets as at March 31, 2022.

# Intangible assets include Computer software.

- (i) Plant and equipment comprise of assets given on operating lease.
- (ii) Depreciation charge for the year includes Rs. 1,767 Mn (FY 2020-21 - Rs. 1,078 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.
- (iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.
- (iv) Capital work-in-progress (CWIP) ageing schedule:

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 5 (a) Property plant and equipment, Capital work-in-progress and Intangible assets (Contd..)

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	
Project in progress	1,690	-	-	-	1,690
Project temporarily suspended	84	-	-	-	84
<b>Total</b>	<b>1,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,774</b>

As at March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	
Project in progress	2,331	56	70	76	2,533
Project temporarily suspended	178	-	-	-	178
<b>Total</b>	<b>2,509</b>	<b>56</b>	<b>70</b>	<b>76</b>	<b>2,711</b>

Further, there are no material capital-work-in progress for the which the completion is overdue or has exceeded its cost compared to its original budget.

## 5 (b) Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	101,978	16,161
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	82,228
Additions for the year	31,515	16,770
Disposals for the year	(5,427)	(5,230)
Depreciation for the year	(18,856)	(7,951)
<b>Balance at the end of the year</b>	<b>109,210</b>	<b>101,978</b>

## 6 Investment

### Investment (non-current)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in subsidiary (unquoted) at cost</b>		
Smartx Services Limited: 15,000,000 (March 31, 2021 - 15,000,000) equity shares of Rs. 10 each fully paid up	150	150
<b>Total</b>	<b>150</b>	<b>150</b>

### Investment (current)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at fair value through profit or loss</b>		
Mutual funds (quoted)	13,653	19,773
Government securities (quoted)	2,868	2,941
<b>Total</b>	<b>16,521</b>	<b>22,714</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 6 Investment (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate value of unquoted investments (cost)	150	150
Aggregate value of quoted investments (cost)	16,540	19,902
Aggregate market value of quoted investments	16,521	22,714

### Non-current investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Axis Liquid Fund - Growth (CFGPG)	-	-	1,251,982	2,845
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	1,513,826	3,559
DSP Liquid Fund-Regular-Plan-Growth	-	-	1,038,845	3,033
L& T Liquid - Growth	-	-	784,834	2,202
Tata Liquid Fund Regular Plan-Growth	-	-	687,670	2,218
UTI - Liquid Cash Plan - Institutional Growth	-	-	404,787	1,357
			<b>5,681,944</b>	<b>15,214</b>
<b>Reclassified to current investments</b>	-	-	<b>(5,681,944)</b>	<b>(15,214)</b>
<b>Total</b>	-	-	-	-

### Current investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Axis Liquid Fund - Direct Growth	1,163,479	2,751	-	-
Aditya Birla Sun Life Money Manager Fund - Growth- Regular Plan	-	-	2,995,937	854
Aditya Birla Liquid Fund - Growth - Direct	8,016,068	2,751	-	-
HDFC Liquid - DP - Growth Option	657,284	2,751	-	-
HSBC Cash Fund	-	-	1,817,400	3,705
Nippon India Overnight Fund - Direct Growth Plan	23,228,111	2,650	-	-
Tata Liquid Fund Direct Plan - Growth	818,508	2,750	-	-
	<b>33,883,450</b>	<b>13,653</b>	<b>4,813,337</b>	<b>4,559</b>
<b>Reclassified from non-current investments (refer non-current investments)</b>	-	-	<b>5,681,944</b>	<b>15,214</b>
<b>Total</b>	<b>33,883,450</b>	<b>13,653</b>	<b>10,495,281</b>	<b>19,773</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 6 Investment (Contd..)

### Current investments (Contd..)

Details of investments in government securities are provided below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	27,500,000	2,868	27,500,000	2,941
<b>Total</b>	<b>27,500,000</b>	<b>2,868</b>	<b>27,500,000</b>	<b>2,941</b>

## 7 Other financial assets, non-current

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Security deposit</b>		
Unsecured, considered good	10,778	10,310
Unsecured, considered doubtful	1,106	1,117
Less :- Provisions	(1,106)	(1,117)
	<b>10,778</b>	<b>10,310</b>
Loans given - unsecured, considered good* (refer note 39)	83	192
Fixed deposits for more than one year #	234	216
<b>Total</b>	<b>11,095</b>	<b>10,718</b>

\*The Company has granted an interest free unsecured loan to its wholly owned subsidiary company "Smartx Services Limited". The Company has not demanded the loan during the year.

#Represents margin money against various guarantees issued by banks on behalf of the Company and fixed deposits which have been marked lien to government/local authorities. These deposits are not available for use by the Company as the same are in the nature of restricted cash.

### Other financial assets, current

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled revenue*	23,320	29,087
Interest accrued on investments and deposits	414	467
Other recoverable #	20	37
<b>Total</b>	<b>23,754</b>	<b>29,591</b>

\* 'Unbilled revenue' includes amount pertaining to related parties amounting to Rs. 21,610 Mn as at March 31, 2022 (March 31, 2021 - Rs. 25,986 Mn). For details refer note 39.

# 'Other recoverable' is net of provision of Rs. 6 Mn as at March 31, 2022 (March 31, 2021 - Rs. 12 Mn).

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 8 Taxes

### a) Income tax expense

#### i. Profit and loss

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Current tax	20,373	9,850
Deferred tax	199	(72)
<b>Income tax expense</b>	<b>20,572</b>	<b>9,778</b>

Current tax expense includes reversal of tax charge of Rs. 70 Mn (March 31, 2021 : Rs. 10 Mn (tax charge)) and deferred tax expense includes tax expense reversal of Rs. Nil (March 31, 2021 : Rs. 16 Mn), respectively relating to earlier periods.

#### ii. Other comprehensive income

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Deferred tax on re-measurements of defined benefits plan	12	7
<b>Income tax charged to other comprehensive income</b>	<b>12</b>	<b>7</b>

### b) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Net income before taxes	84,243	43,160
Enacted tax rate in India	25.168%	25.168%
<b>Computed tax expense</b>	<b>21,202</b>	<b>10,863</b>
<b>Increase/(reduction) in taxes on account of:</b>		
Tax effect on deduction of dividend income under section 80M	-	(1,057)
Tax effect of long-term MTM loss/(gain) on investment	10	-
Tax effect of long term capital loss/(gain) on sale of investment	(668)	(277)
Tax effect of disallowance on account of donation	106	140
Others	(78)	109
<b>Income tax expense recorded in the statement of profit and loss</b>	<b>20,572</b>	<b>9,778</b>

The applicable Indian statutory tax rate for financial year 2021-22 and 2020-21 is 25.168%.



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 8 Taxes (Contd..)

### c) Deferred tax liabilities/(assets)

The components that gave rise to deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability in relation to:</b>		
Right of use assets	27,300	25,666
Property, plant and equipment and intangible asset (excluding ARO)	7,262	7,091
Investment carried at fair value through profit or loss/ OCI	-	701
Security deposit received measured at amortised cost	72	81
Revenue equalisation reserve	3,288	2,423
Others	-	30
<b>Total deferred tax liabilities</b>	<b>37,922</b>	<b>35,992</b>
<b>Deferred tax assets in relation to:</b>		
Lease liabilities	34,664	32,777
Asset retirement obligation	92	28
Investment carried at fair value through profit or loss/ OCI	2	-
Long term capital loss carried forward	-	174
Provision for doubtful debts and advance	1,208	1,520
Security deposit paid measured at amortised cost	360	259
Provision for employee benefits	548	437
Employee stock option plans	86	86
Others	40	-
<b>Total deferred tax assets</b>	<b>37,000</b>	<b>35,281</b>
<b>Net deferred tax liabilities/(asset)</b>	<b>922</b>	<b>711</b>

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The reconciliation of net deferred tax liability/ (asset) is follows:

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
<b>Opening balance</b>	711	(1,324)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	2,100
Tax expense during the year recognised in Statement of profit and loss and OCI	211	(65)
<b>Closing balance</b>	<b>922</b>	<b>711</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 9 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital advances</b>		
Unsecured, considered good	25	3
Unsecured, considered doubtful	-	-
Less: Provision for capital advances	-	-
	<b>25</b>	<b>3</b>
<b>Others*</b>		
Unsecured, considered good	6,061	5,476
Unsecured, considered doubtful	1,069	1,069
Less: Provision	(1,069)	(1,069)
	<b>6,061</b>	<b>5,476</b>
Revenue equalisation reserve	12,532	9,104
<b>Total</b>	<b>18,618</b>	<b>14,583</b>

\*Others\* comprise of payments made under protest to the government authorities. For details, refer note 36(b).

## 10 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, considered good	-	20,709
Unsecured, considered good	70,582	17,576
Significant increase in credit risk	3,676	4,850
Credit impaired	-	-
Less: Allowance for doubtful receivables	(3,676)	(4,850)
<b>Total</b>	<b>70,582</b>	<b>38,285</b>

Trade receivables are non-interest bearing and due after 15 / 45 days from the date of invoice. Trade receivables also includes amount outstanding from related parties, for details, refer note 39.

During the quarter ended March 31, 2022, the Company has settled its reconciliation issues related to trade receivables up to December 31, 2021 with its large customers. Upon such settlement, the Company has adjusted its provisions and impact has been taken in the books of accounts. Further, in accordance with its accounting policy, the Company has deferred recognition of revenue arising out of such settlements wherever there is an uncertainty involved with respect to ultimate collection. The Company continues to create provisions w.e.f. January 01, 2022 based on its best estimates and judgements.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 10 Trade receivables (Contd..)

### Trade Receivables ageing schedule:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	30,676	38,641	330	659	54	222	70,582
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1,696	788	1,038	128	26	3,676
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>30,676</b>	<b>40,337</b>	<b>1,118</b>	<b>1,697</b>	<b>182</b>	<b>248</b>	<b>74,258</b>
Less: Allowance for doubtful receivables							(3,676)
<b>Total</b>	<b>30,676</b>	<b>40,337</b>	<b>1,118</b>	<b>1,697</b>	<b>182</b>	<b>248</b>	<b>70,582</b>

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	11,171	24,137	1,816	810	296	55	38,285
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	896	2,587	1,204	62	101	4,850

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 10 Trade receivables (Contd..)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>11,171</b>	<b>25,033</b>	<b>4,403</b>	<b>2,014</b>	<b>358</b>	<b>156</b>	<b>43,135</b>
Less: Allowance for doubtful receivables							(4,850)
<b>Total</b>	<b>11,171</b>	<b>25,033</b>	<b>4,403</b>	<b>2,014</b>	<b>358</b>	<b>156</b>	<b>38,285</b>

## 11 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance with banks</b>		
On current accounts	3,796	129
Deposits with original maturity of less than three months	6,004	1
<b>Total</b>	<b>9,800</b>	<b>130</b>

For the purpose of the Cash flow statement, cash and cash equivalents comprise of following:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents as per balance sheet	9,800	130
Bank overdraft	-	(2)
<b>Total</b>	<b>9,800</b>	<b>128</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 11 Cash and cash equivalents (Contd..)

### Reconciliation of cash flow from financing activities for the year ended March 31, 2022

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Cash flow on account of merger	Total
<b>As at April 1, 2021 (A)</b>	<b>133,958</b>	<b>81,639</b>	-	<b>502</b>	-	<b>216,099</b>
<b>Cash activities</b>						
- Payments	(28,497)	(189,144)	-	(4,417)	-	(222,058)
- Proceeds	-	162,422	-	-	-	162,422
<b>Total cash activities (B)</b>	<b>(28,497)</b>	<b>(26,722)</b>	-	<b>(4,417)</b>	-	<b>(59,636)</b>
<b>Non cash activities</b>						
- Accrued	10,912	-	-	4,035	-	14,947
- Additions (net of terminations)	26,019	-	-	-	-	26,019
- Others	-	(49)	-	-	-	(49)
<b>Total non cash activities (C)</b>	<b>36,931</b>	<b>(49)</b>	-	<b>4,035</b>	-	<b>40,917</b>
<b>Balance as at March 31, 2022 (A+B+C)</b>	<b>142,392</b>	<b>54,868</b>	-	<b>120</b>	-	<b>197,380</b>

### Reconciliation of cash flow from financing activities for the year ended March 31, 2021

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Cash flow on account of merger (refer note 3)	Total
<b>As at April 1, 2020 (A)</b>	<b>21,901</b>	<b>23,853</b>	-	<b>55</b>	-	<b>45,809</b>
<b>Cash activities</b>						
- Payments	(11,163)	(133,325)	(59,860)	(1,450)	(37,650)	(243,448)
- Proceeds	-	149,640	-	-	-	149,640
<b>Total cash activities (B)</b>	<b>(11,163)</b>	<b>16,315</b>	<b>(59,860)</b>	<b>(1,450)</b>	<b>(37,650)</b>	<b>(93,808)</b>
<b>Non cash activities</b>						
- Accrued	4,977	-	59,860	2,416	-	67,253
- Additions (net of terminations)	11,471	-	-	-	-	11,471
- Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	106,772	41,367	-	-	37,650	185,789
- Others	-	104	-	(519)	-	(415)
<b>Total non cash activities (C)</b>	<b>123,220</b>	<b>41,471</b>	<b>59,860</b>	<b>1,897</b>	<b>37,650</b>	<b>264,098</b>
<b>Balance as at March 31, 2021 (A+B+C)</b>	<b>133,958</b>	<b>81,639</b>	-	<b>502</b>	-	<b>216,099</b>

\* 'Borrowings' include long term borrowings and short term borrowings.

#Payment of Rs 37,642 Mn were made to Vodafone Idea Ltd. and stamp duty of Rs. 8 Mn paid on account of issue of new equity shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3).



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 12 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to related parties -- unsecured, considered good (refer note 39)	164	56
Advance to supplier	1,111	2,838
Other taxes recoverable	513	2,045
Prepaid expenses	280	137
Revenue equalisation reserve	532	521
Others	11	8
<b>Total</b>	<b>2,611</b>	<b>5,605</b>

'Advance to supplier' is net of provision of Rs. 158 Mn (March 31, 2021 - Rs. 138 Mn). 'Other taxes recoverable' is net of provision of Rs. 17 Mn (March 31, 2021 - Rs. 14 Mn).

## 13 Share capital

### a. Equity share capital:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized Shares</b>		
3,550,000,000 equity shares of Rs. 10 each (3,550,000,000 equity shares as at March 31, 2021)	35,500	35,500
<b>Issued, subscribed and fully paid-up shares</b>		
2,694,936,950 equity shares of Rs. 10 each fully paid-up (March 31, 2021 : 2,694,936,950 equity shares)	26,949	26,949
<b>Total</b>	<b>26,949</b>	<b>26,949</b>

### b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The Board of Directors of the Company in its meeting held on May 05, 2022 has declared an interim dividend of Rs. 11/- per equity share (face value of Rs. 10/- each) for the financial year 2021-22. and had declared following dividends during the year ended March 31, 2021:

Particulars	Dividend w.r.t. financial year	Interim / final dividend	Date of board meeting in which dividend is declared	Rate of dividend per equity share of Rs. 10 each (in Rs.)	Total dividend amount (Rs. in Mn)
	FY 2019-20	3rd Interim	23-Apr-20	4.10	7,583
<b>Year ended</b>	FY 2020-21	1st Interim	27-Jul-20	2.30	4,254
<b>March 31, 2021</b>	FY 2020-21	2nd Interim	28-Jan-21	17.82	48,023
		<b>Total</b>		<b>24.22</b>	<b>59,860</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 13 Share capital (Contd..)

### c. Shares held by Promoters/Parent Company:

Promoter name	No. of Shares		% of total shares		% Change during the year
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
<b>Equity shares of Rs. 10 each fully paid Promoters w.e.f. November 19, 2020</b>					
Bharti Airtel Limited (Parent Company till Nov 18, 2020)*	672,102,530	620,898,728	24.94%	23.04%	1.90%
Nettle Infrastructure Investments Limited (Fellow Subsidiary till Nov 18, 2020)*	579,530,375	503,628,998	21.50%	18.69%	2.82%
Omega Telecom Holdings Private Limited #	62,180,258	62,180,258	2.31%	2.31%	-
Euro Pacific Securities Ltd #	13,790,472	204,448,241	0.51%	7.59%	-7.07%
Vodafone Telecommunications (India) Limited #	83,280,998	83,280,998	3.09%	3.09%	-
Trans Crystal Ltd #	74,891,274	74,891,274	2.78%	2.78%	-
Mobilvest #	85,894,365	85,894,365	3.19%	3.19%	-
Prime Metals Ltd #	112,055,285	112,055,285	4.16%	4.16%	-
CCII (Mauritius), Inc.#	22,873,771	22,873,771	0.85%	0.85%	-
Asian Telecommunication Investments (Mauritius) Ltd #	50,255,070	50,255,070	1.86%	1.86%	-
Al-Amin Investments Ltd #	41,639,742	41,639,742	1.55%	1.55%	-
Usha Martin Telematics Limited#	20,302,800	20,302,800	0.75%	0.75%	-
<b>Total</b>	<b>1,818,796,940</b>	<b>1,882,349,530</b>	<b>67.49%</b>	<b>69.85%</b>	<b>-2.36%</b>

\*Bharti Airtel Limited along with its wholly owned subsidiary holds 46.44% shares as on March 31, 2022 (March 31, 2021 - 41.73%).

Nettle Infrastructure Investments Limited (Nettle) acquired 1,196,285 (0.04%) equity shares of the Company on March 30, 2022 and consequently, the total shareholding of Nettle in the Company as on March 31, 2022 has been increased to 580,726,660 (21.55%) as reported by the Nettle under Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The said acquisition of shares by Nettle has not been captured in the beneficial position received from the depositories, and accordingly, the same is not considered by the Company while reporting above and in the shareholding pattern for March 31, 2022 filed by the Company with the stock exchanges.

# Vodafone Group Plc. through its indirect wholly owned subsidiary companies holds 21.05% shares as on March 31, 2022 (March 31, 2021 - 28.12%).

### d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% Holding	No of Shares	% Holding
Bharti Airtel Limited	672,102,530	24.94%	620,898,728	23.04%
Nettle Infrastructure Investments Limited	579,530,375	21.50%	503,628,998	18.69%
Euro Pacific Securities Ltd	13,790,472	0.51%	204,448,241	7.59%
<b>Total</b>	<b>1,265,423,377</b>	<b>46.96%</b>	<b>1,328,975,967</b>	<b>49.31%</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 13 Share capital (Contd..)

### e. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2017, the Company brought back 47,058,824 equity shares of Rs. 10 each by way of tender offer through stock exchange mechanism for cash at price of Rs. 425 per equity share.

### f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

## 14 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	48,829	48,829
Share based payment reserve	98	41
Capital redemption reserve	471	471
Capital reserve	4,536	4,536
Merger capital reserve	(47,982)	(47,982)
General reserve	71,090	72,072
Retained earnings	117,839	54,168
Other comprehensive income	(75)	(111)
<b>Total</b>	<b>194,806</b>	<b>132,024</b>

### (i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### (ii) Share based payment reserve

This relates to share options granted by the Company to its employees under its employee share options plan.

### (iii) Capital redemption reserve

Capital redemption reserve was created on buy back of shares. A company may issue fully paid up bonus shares to its members out of Capital redemption reserve account.

### (iv) Capital reserve

Capital reserve has arisen out of slump purchase of assets (Refer note 42(c)).

### (v) Merger capital reserve

Merger capital reserve was created on account of merger of the Company with erstwhile Indus Towers Limited. (Refer Note 3)

### (vi) General Reserve

“General reserve was created out of Composite Scheme of arrangement with Bharti Airtel Limited. Pursuant to the merger of Joint Venture Company (i.e. erstwhile Indus Towers Limited) with the Company, the investment in Joint Venture Company has been cancelled by debiting the General Reserve to the extent available under the said Scheme (refer Note 3 and 42(a)).

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 14 Other equity (Contd..)

Further, pursuant to the merger of erstwhile Indus Towers Limited with the Company, General reserve of erstwhile Indus Towers Limited was transferred to the Company which was created out on account of Scheme of Arrangement (Indus Scheme) in erstwhile Indus Towers Limited. The General Reserve account shall be treated as free reserve for all intents and purposes. (refer Note 3 and 42(b)).

## 15 Long term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Term loans from banks*	-	1,667
<b>Unsecured</b>		
Term loans from banks*	45,677	25,322
	<b>45,677</b>	<b>26,989</b>
<b>Current maturities of long-term borrowings (refer note 20)</b>	(21,938)	(11,938)
<b>Total</b>	<b>23,739</b>	<b>15,051</b>

\* Rs. 21 Mn (FY 2020-21 : 23 Mn) has been adjusted towards unamortized upfront fee on borrowings.

The company does not have any secured borrowings as at March 31, 2022. However the below disclosures relating to registration of charges and terms & conditions pertains to secured borrowing as at March 31, 2021.

### Registration of charges

The company does not have any secured borrowings as at March 31, 2022. However, the below disclosures relating to registration of charges and terms & conditions pertains to secured borrowing as at March 31, 2021.

### The terms and conditions of all the long-term borrowings are similar and are as follows:

- A first charge on pari-passu basis by way of hypothecation of the Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
- A charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding Rs. 10,000 Mn (amount in absolute figures) including funded facilities; and
- A first charge on pari-passu over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

Weighted average effective cost of debt as at March 31, 2022 is 5.60% per annum (March 31, 2021 : 6.05% per annum) on term loans from banks.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 15 Long term borrowings (Contd..)

### Repayment of loan

**(i) Loan outstanding Rs. 2,916 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 7,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from August 2020.

**(ii) Loan outstanding Rs. 1,250 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 3,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from September 2020.

**(iii) Loan outstanding Rs. 8,907 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 17,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from December 2020.

**(iv) Loan outstanding Rs. 2,000 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 3,000 Mn availed from bank in 12 equated quarterly instalments which will commence from April 2021.

**(v) Loan outstanding Rs. 7,500 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 10,000 Mn availed from bank in 12 equated quarterly instalments which will commence from September 2021.

**(vi) Loan outstanding Rs. 6,250 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 7,500 Mn availed from bank in 12 equated quarterly instalments which will commence from December 2021.

**(vii) Loan outstanding Rs. 6,875 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 7,500 Mn availed from bank in 12 equated quarterly instalments which will commence from January 2022.

**(viii) Loan outstanding Rs. 10,000 Mn**

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 10,000 Mn availed from bank in 12 equated quarterly instalments which will commence from June 2022.



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 15 Long term borrowings (Contd..)

For all the above loans, the Company may voluntarily prepay all or any portion of the disbursed loans based on certain specified clauses and subject to the conditions laid out in the loan agreement.

The borrowings were used for the purpose for which they were taken from the banks and financial institutions.

## 16 Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	<b>133,958</b>	<b>21,901</b>
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	106,772
Additions during the year	32,338	17,061
Deletions during the year	(6,319)	(5,590)
Interest accrued during the year	10,912	4,977
Payment of lease liabilities during the year	(28,497)	(11,163)
<b>Balance at the end of the year</b>	<b>142,392</b>	<b>133,958</b>
Current	21,515	21,769
Non-current	120,877	112,189

## 17 Other financial liabilities, non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	5,708	5,236
<b>Total</b>	<b>5,708</b>	<b>5,236</b>

The above security deposit is the fair value of total security deposit at transaction value for Rs. 7,385 Mn as at March 31, 2022 (March 31, 2021 : Rs. 7,371 Mn).

'Security deposits' includes transaction value of Rs. 3,120 Mn as at March 31, 2022 (March 31, 2021 : Rs. 3,120 Mn) towards amounts received from related parties. For details, refer note 39.

## 18 Provisions, non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Asset retirement obligation (ARO)*	16,254	14,982
Gratuity (refer note 33)	895	637
Long-term service award	49	47
<b>Total</b>	<b>17,198</b>	<b>15,666</b>

\* The Company uses various premises on lease to install plant and equipment. Provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 18 Provisions, non-current (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	14,982	2,805
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	11,398
Provision added during the year	301	366
Provision utilised/adjusted during the year	(202)	(129)
Unwinding of discount	1,173	542
<b>Closing balance</b>	<b>16,254</b>	<b>14,982</b>

## Provisions, current

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (refer note 33)	86	71
Leave encashment	449	410
<b>Total</b>	<b>535</b>	<b>481</b>

## 19 Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred operating lease revenue	893	1,344
Unearned revenue (refer note 39)	569	824
Liability for cash settled option (refer note 34)	-	10
<b>Total</b>	<b>1,462</b>	<b>2,178</b>

## 20 Short term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
Bank overdraft*	-	2
Commercial paper**	8,971	17,647
Short term loans***	220	36,655
Loans from related parties# (refer note 39)	-	348
Current maturities of long term borrowings (refer note 15)	21,938	11,938
<b>Total</b>	<b>31,129</b>	<b>66,590</b>

\*During the year ended March 31, 2021, the bank overdraft is repayable on demand and carries interest rate of 9.00% per annum.

\*\*The Commercial paper have been issued to banks and financial institutions and carries interest rate of 4.07% (March 31, 2021 : 3.85%) per annum.

\*\*\*The short term loans have been taken from banks and financial institutions and carries effective interest rate of 7.44% (March 31, 2021 : 4.28% to 7.98%) per annum.

# Pursuant to "Indus Scheme" of merger of erstwhile Indus Towers Limited, loan is repayable to related party along with interest in the event of refund/settlement of advance tax/self assessment tax for the assessment Year 2012-13. For details, refer note 42(b). The loan has been repaid during the year.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
-Total outstanding dues of micro and small enterprises*	520	373
-Total outstanding dues of creditors other than micro and small enterprises	20,730	32,202
<b>Total</b>	<b>21,250</b>	<b>32,575</b>

\*Also include outstanding of medium enterprises.

a) Trade Payable include Rs. 87 Mn (March 31, 2021 : Rs. 126 Mn) payable to related parties. For details, refer note 39.

### b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	514	370
Interest due on above	3	1
<b>Total</b>	<b>517</b>	<b>371</b>
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	1,117	2,005
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 period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	3	2
The amount of interest accrued and remaining unpaid at the end of each accounting year	6	3
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 Micro Small and Medium Enterprise Development Act, 2006	6	3

Total payments made to micro, small and medium enterprises amounts to Rs. 20,385 Mn (Rs. 12,142 Mn for the year ended March 31, 2021) out of which Rs. 1,117 Mn (Rs 2,005 Mn for the year ended March 31, 2021) has been paid beyond the appointed date; which is primarily due to delays in receipt of invoices and inadequate documentation in certain cases.

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables (Contd..)

### c) Trade payables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	416	100	-	-	-	516
(ii) Others	595	448	246	263	14	1,566
(iii) Disputed dues - MSME	-	4	-	-	-	4
(iv) Disputed dues - Others	3	1	2	5	66	77
<b>Subtotal</b>	<b>1,014</b>	<b>553</b>	<b>248</b>	<b>268</b>	<b>80</b>	<b>2,163</b>
(v) Accruals	19,087	-	-	-	-	19,087
<b>Total</b>	<b>20,101</b>	<b>553</b>	<b>248</b>	<b>268</b>	<b>80</b>	<b>21,250</b>

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	309	40	1	-	-	350
(ii) Others	537	431	281	256	1	1,506
(iii) Disputed dues - MSME	7	15	-	-	1	23
(iv) Disputed dues - Others	4	4	3	31	17	59
<b>Subtotal</b>	<b>857</b>	<b>490</b>	<b>285</b>	<b>287</b>	<b>19</b>	<b>1,938</b>
(v) Accruals	30,637	-	-	-	-	30,637
<b>Total</b>	<b>31,494</b>	<b>490</b>	<b>285</b>	<b>287</b>	<b>19</b>	<b>32,575</b>

### d) Relationship with struck off companies

Name of the Company	Nature of transaction	Relationship with the Company	Transaction during the year ended*		Balance outstanding as at*	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sirius Integrated Trading Private Limited	Legal expense	Vendor	-*	-	-	-*
Windtel Private Limited	Repair and Maintaince services	Vendor	-*	-*	-	-
Falak Enterprises Private Limited	Rent	Landlord	-*	-*	-	-
Medius Destinations india Private Limited	Legal charges	Vendor	-*	-*	-*	-
Modern Housing Construction Properties Limited	Rent	Landlord	-*	-*	-*	-
Gopala Builders Private Limited	Rent	Landlord	-	-*	-	-

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables (Contd..)

### d) Relationship with struck off companies

Name of the Company	Nature of transaction	Relationship with the Company	Transaction during the year ended*		Balance outstanding as at*	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Devadwar Service & Maintenance Company Private Limited	Rent	Landlord	-*	-*	-	-
R D Promoters Private Limited	Rent	Landlord	-*	-*	-*	-
Skn Boarding&Lodging Private Limited	Rent	Landlord	-*	-*	-	-
Palat Engineers India Private Limited	Deployment service	Vendor	(7)	-	(2)	(9)
Nagpur Conductors Private Limited	Rent	Landlord	-*	-*	-	-
Paresh Buildcon Private Limited	Rent	Landlord	-*	-*	-	-
Shree Sai Samarth Realty Private Limited	Rent	Landlord	-*	-	-	-
Swaraaj Joshi Residency Private Limited	Rent	Landlord	-*	-*	-	-
Venkatesh Lakshmi Buildcon Private Limited	Rent	Landlord	-*	-*	-	-
Precious Shelters Private Limited	Rent	Landlord	-*	-*	-	-
Ashwamegh Multi trade Private limited	Rent	Landlord	-	-*	-	-
Cashflow Investments (India) Private Limited	Rent	Landlord	-*	-*	-	-
Knight Raj Properties Private Limited	Rent	Landlord	-*	-*	-	-
Shan Holiday Inn Private Limited	Rent	Landlord	-	-*	-	-
Lords Hotels Private Limited	Boarding and Lodging Expense	Vendor	-	-*	-	-
Sagar Infrastructure Private Limited	Rent	Landlord	-	-*	-	-
Bright Constructions Private Limited	Rent	Landlord	-*	-*	-	-
Akansha Builders Private Limited	Rent	Landlord	-*	-	-*	-
Lex Property Developments Private Limited	Rent	Landlord	-	-	-*	-



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 21 Trade payables (Contd..)

### d) Relationship with struck off companies (Contd..)

Name of the Company	Nature of transaction	Relationship with the Company	Transaction during the year ended*		Balance outstanding as at**	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Najeeb Construction Private Limited	Repair and Maintenance services	Vendor	-	-	-*	-*
Rakhee Textile Industries Private Limited	Rent	Landlord	-	-	-*	-*
Shivdham Premises Management Private Limited	Rent	Landlord	-*	-*	-	-
Sukhm Resorts Private Limited	Rent	Landlord	-*	-*	-	-
IITG Jobs Private Limited	Professional fees	Vendor	-*	-*	-*	-*
Regional Builders Private Limited	Rent	Landlord	-*	-*	-	-

\*Less than 1 Mn

## 22 Other financial liabilities, current

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to employees	760	840
Creditors for capital expenditure	5,185	8,955
Interest accrued and not due*	120	502
Security deposits	30	30
Book overdraft	-	31
Other payables#	415	936
<b>Total</b>	<b>6,510</b>	<b>11,294</b>

\* 'Interest accrued and not due' includes amount pertaining to related parties amounting to Rs. Nil as at March 31, 2022 (March 31, 2021: 378 Mn). For details, refer note 39 and 49.

# 'Other payables' include amount pertaining to related parties amounting to Rs. Nil as at March 31, 2022 (March 31, 2021: 522 Mn). For details, refer note 39.

## 23 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities	3,875	3,515
Unearned revenue (refer note 39)	628	871
Deferred operating lease revenue	497	440
Liability for cash settled option (refer note 34)	18	27
Others	143	583
<b>Total</b>	<b>5,161</b>	<b>5,436</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 24 Revenue from operations

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
<b>Sale of services</b>		
Rent (including recoveries for rates and taxes)	175,981	88,169
Energy	101,101	51,339
<b>Total</b>	<b>277,082</b>	<b>139,508</b>

## 25 Other income

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Interest income (others)	81	181
Dividend income from joint venture (erstwhile Indus Towers Limited)	-	4,200
Profit on sale of property, plant and equipment	2,551	823
Miscellaneous income	893	964
<b>Total</b>	<b>3,525</b>	<b>6,168</b>

## 26 Power and fuel

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Network	102,587	51,501
Others	66	28
<b>Total</b>	<b>102,653</b>	<b>51,529</b>

## 27 Employee benefit expenses

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Salaries, wages and bonus*	7,182	4,903
Contribution to provident fund	232	132
Equity settled/cash settled option expense (refer note 34)	108	26
Staff welfare expenses	164	32
Others	36	33
<b>Total</b>	<b>7,722</b>	<b>5,126</b>

\* 'Salaries, wages and bonus' includes gratuity and other post-employment benefits. For details, refer note 33.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 28 Repairs and maintenance

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Repair and maintenance		
- Plant and machinery	13,003	7,006
- Others	464	240
<b>Total</b>	<b>13,467</b>	<b>7,246</b>

## 29 Other expenses

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Insurance	465	263
Travelling and conveyance	464	183
Communication expenses	63	58
Legal and professional	838	723
Rates and taxes	1,567	1,175
Information technology (IT) expenses	1,005	629
Provision for doubtful debts and advances (net)	(1,177)	(456)
Miscellaneous expenses	710	446
<b>Total</b>	<b>3,935</b>	<b>3,021</b>

## Payment to auditor (net of GST)

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Audit fee	12.00	9.0
Tax audit fee	0.50	0.5
Other services	0.95	2.2
Reimbursement of expenses	-	0.8
<b>Total</b>	<b>13.45</b>	<b>12.5</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 30 Depreciation and amortization expense

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Depreciation	53,948	29,698
Amortization	225	160
	<b>54,173</b>	<b>29,858</b>
Less: adjusted with General Reserve in accordance with the Scheme of arrangement (refer note 42)	(970)	(1,429)
<b>Total</b>	<b>53,203</b>	<b>28,429</b>

As per Ind AS 116, operating lease rent has been changed to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

## 31 Finance costs and income

### Finance costs

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Interest expense	3,461	2,410
Bank charges	4	6
Unwinding of discount on asset retirement obligation	1,173	543
Unwinding of discount on security deposit received	472	415
Interest on lease liabilities	10,912	4,977
<b>Total</b>	<b>16,022</b>	<b>8,351</b>

### Finance income

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
<b>Interest income on financial assets carried at amortized cost:</b>		
Interest on bank deposit	12	16
Interest on security deposit paid	502	328
Interest income (others)	142	169
<b>Interest income on financial assets carried at fair value through other comprehensive income</b>	-	-
<b>Interest income on financial assets carried at fair value through profit or loss:</b>		
Interest on government securities	211	210
<b>Gain/(loss) on investments (including MTM gain/(loss))</b>	193	1,269
<b>Total</b>	<b>1,060</b>	<b>1,992</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 32 Earnings per Share (EPS)

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Nominal value of equity shares (Rs.)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (Rs. Mn)	63,671	33,382
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	2,694,936,950	2,157,632,130
Dilutive effect on weighted average number of equity shares outstanding during the year	-	-
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	2,694,936,950	2,157,632,130
Basic earnings per share (A/B) (Rs.)	23.626	15.472
Diluted earnings per share (A/C) (Rs.)	23.626	15.472

## 33 Employee benefits

The Company has recognised the following amounts in the statement of profit and loss:

### a) Defined contribution plan

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Employer's contribution to provident fund	232	132
<b>Total</b>	<b>232</b>	<b>132</b>

### b) Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Company. Such liability is included in salaries, wages and bonus, refer note 27.

#### Gratuity

#### i. Amount charged to the statement of profit and loss:

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Service cost	378	61
Interest cost	48	30
<b>Total</b>	<b>426</b>	<b>91</b>



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 33 Employee benefits (Contd..)

- ii. Due to its defined benefit plans, the Company is exposed to the following significant risks:

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

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

The assumptions used to determine the benefit obligation are as follows:-

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Discount rate	7.19%	6.80%
Expected rate of increase in compensation levels *	8.00%	8.50%
Expected average remaining working lives of employees (years) *	20.01	20.36

\*For contractual employees, expected rate of increase in compensation levels is 6.00% & expected average remaining working lives of employees is 23.09 years

### Demographic assumption

Assumptions regarding future mortality are based on published statistics and mortality tables (IALM (2012-14) for the year ended March 31, 2022 .

Retirement age: The employees of the Company are assumed to retire at the age of 58 years.

Rates of leaving service at specimen ages as at March 31, 2022 are as shown below:

Age (Years)	Rates
Upto 30 years	11.35%
From 31 - 44 years	7.29%
Above 44 years	8.29%

- iii. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of benefit obligation at the beginning of year	708	254
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	480
Service cost	378	61
Interest cost	48	30
Benefits paid	(106)	(89)
Actuarial (gain)/ loss	(47)	(27)
Acquisition Adjustment	-	(1)
<b>Present value of benefit obligation as at the end of year</b>	<b>981</b>	<b>708</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 33 Employee benefits (Contd..)

### iv. Amount recognised in Other comprehensive income

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening net cumulative unrecognized gain/(loss)</b>	(147)	(19)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	(155)
Actuarial gain/(loss)	47	27
<b>Unrecognized actuarial gain/(loss) at the end of year</b>	<b>(100)</b>	<b>(147)</b>

- v. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.
- vi. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- vii. Estimated amounts of expense to be recognized within next year is Rs. 210 Mn (March 31, 2021 : Rs. 154 Mn).
- viii. **The Maturity profile of defined benefit obligation is as follows :**

Period	Amount
April 2021 - March 2022	86
April 2022 - March 2023	76
April 2023- March 2024	81
April 2024- March 2025	67
April 2025 onwards	671

### ix. Sensitivity analysis

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
Discount rate	+1%	+1%	(64)	(53)
	-1%	-1%	78	57
Salary Growth rate	+1%	+1%	78	56
	-1%	-1%	(74)	(53)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e. Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the balance sheet.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans

### (a) Employee stock/cash settled option plans - issued by the Company

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme). In FY 2013-14 and 2014-15, the Company had announced new performance unit plan (cash settled option plan) for its employees. In FY 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21, 2021-22, the Company has announced Long term incentive plan (LTIP) 2015, Long term incentive plan (LTIP) 2016, Long term incentive plan (LTIP) 2017, Long term incentive plan (LTIP) 2018, Long term incentive plan (LTIP) 2019-20, Long term incentive plan (LTIP) 2020-21, Long term incentive plan (LTIP) 2021 respectively for its employees.

The following table provides an overview of all existing stock/cash option plans issued by the Company.

Entity	Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (Rs.)	Classification /accounting treatment
	<b>Equity settled Plans</b>						
Company	ESOP Scheme 2008	2008 Plan	1	1 - 5	7	110	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2015)	4	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2016)	4	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2017)	7	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2018)	16	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2019-20)	68	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2020-21)	317	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2021)	619	1 - 3	7	10	Equity settled
	<b>Cash settled Plans</b>						
	Scheme 2013	Performance Unit Plan (2013 and 2014)	-	1 - 3	7	-	Cash settled

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company:

	Vesting period from the grant date	Vesting schedule
<b>1. ESOP Scheme 2008 (including LTIP)</b>		
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
<b>2. Performance Unit Plan (Cash settled plan)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>3. Long term incentive plan (LTIP) 2015 (Grant 2015)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>4. Long term incentive plan (LTIP) 2015 (Grant 2016)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>5. Long term incentive plan (LTIP) 2015 (Grant 2017)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>6. Long term incentive plan (LTIP) 2015 (Grant 2018)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
<b>7. Long term incentive plan (LTIP) 2015 (Grant 2019-20)</b>		
For options with a vesting period of 28 months:		
	On completion of 12 months	60%
	On completion of 28 months	40%

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

	Vesting period from the grant date	Vesting schedule
<b>8. Long term incentive plan (LTIP) 2015 (Grant 2020-21)</b>		
For options with a vesting period of 30 months:		
	On completion of 12 months	60%
	On completion of 30 months	40%
<b>9. Long term incentive plan (LTIP) 2015 (Grant 2021)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options (in '000)	Exercise price (Rs.)	Number of stock options (in '000)	Exercise price (Rs.)
<b>Plan 2008</b>				
Outstanding at beginning of the year	2	110	46	110
Granted	-	-	-	-
Forfeited	-	110	(1)	110
Exercised	(1)	110	(43)	110
Outstanding at the year end	1	110	2	110
Exercisable at end of the year	1	110	2	110
<b>Cash settled Plan (2013 and 2014)</b>				
Outstanding at beginning of the year	7	NA	7	NA
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(7)	NA	-	-
Outstanding at the year end	-	-	7	NA
Exercisable at end of the year	-	-	7	NA
<b>LTI Plan 2015 (Grant 2015)</b>				
Outstanding at beginning of the year	4	10	12	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	(8)	10
Outstanding at the year end	4	10	4	10
Exercisable at end of the year	4	10	4	10
<b>LTI Plan 2015 (Grant 2016)</b>				
Outstanding at beginning of the year	5	10	20	10
Granted	-	-	-	-



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for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options (in '000)	Exercise price (Rs.)	Number of stock options (in '000)	Exercise price (Rs.)
Forfeited	-	-	-	-
Exercised	(1)	10	(15)	10
Outstanding at the year end	4	10	5	10
Exercisable at end of the year	4	10	5	10
<b>LTI Plan 2015 (Grant 2017)</b>				
Outstanding at beginning of the year	11	10	44	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(4)	10	(33)	10
Outstanding at the year end	7	10	11	10
Exercisable at end of the year	7	10	11	10
<b>LTI Plan 2015 (Grant 2018)</b>				
Outstanding at beginning of the year	33	10	122	10
Granted	-	-	-	-
Forfeited	-	-	(7)	10
Exercised	(17)	10	(82)	10
Outstanding at the year end	16	10	33	10
Exercisable at end of the year	16	10	10	10
<b>LTI Plan 2015 (Grant 2019-20)</b>				
Outstanding at beginning of the year	107	10	135	10
Granted	-	-	-	-
Forfeited	(12)	10	(28)	10
Exercised	(27)	10	-	-
Outstanding at the year end	68	10	107	10
Exercisable at end of the year	38	10	64	10
<b>LTI Plan 2015 (Grant 2020-21)</b>				
Outstanding at beginning of the year	491	10	-	-
Granted	-	-	491	10
Forfeited	(57)	10	-	-
Exercised	(117)	10	-	-
Outstanding at the year end	317	10	491	10
Exercisable at end of the year	150	10	-	-

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for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options (in '000)	Exercise price (Rs.)	Number of stock options (in '000)	Exercise price (Rs.)
<b>LTI Plan 2015 (Grant 2021)</b>				
Outstanding at beginning of the year	641	10	-	-
Granted	-	-	-	-
Forfeited	(22)	10	-	-
Exercised	-	-	-	-
Outstanding at the year end	619	10	-	-
Exercisable at end of the year	-	-	-	-

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (Rs.)		Weighted average share price for the options exercised during the year ended (Rs.)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Equity settled plans</b>						
Plan 2008	0.25	0.66	-	-	239.20	229.73
LTI plan 2015	3.33	4.33	-	-	-	208.17
LTI plan 2016	3.33	4.61	-	-	281.50	202.74
LTI plan 2017	4.19	5.38	-	-	227.12	190.46
LTI plan 2018	6.15	6.94	-	-	237.15	186.39
LTI plan 2019-20	6.60	7.53	-	-	243.89	-
LTI plan 2020-21	7.62	8.44	-	246.64	222.19	-
LTI plan 2021	8.43	-	222.15	-	-	-
<b>Cash settled plans</b>						
PUP 2013 & 2014	-	3.33	-	-	-	-

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

The fair value of the options granted during the year was estimated using the Black Scholes method of valuation with the following assumptions:

Particulars	LTIP Plan 2015 (Grant 2021) Year ended March 31, 2022	LTIP Plan 2015 (Grant 2020-21) Year ended March 31, 2021
Risk free interest rates	3.45% to 6.77%	3.23% to 6.32%
Vesting period	36 months	30 months
Weighted average share price (Rs.)	222.15	246.64
Volatility	49.62%	56.33%
Dividend yield	8.55%	7.70%

### (b) Employee stock/cash settled option plans - Issued by the erstwhile Indus Towers Limited

#### Stock Appreciation Rights (SAR) Scheme (SAR Plan 2)

During the year ended March 31, 2013, the Company had announced an Employee Stock Appreciation Right Scheme (the 'Scheme') for eligible employees. As per this plan, the employees would be entitled to receive the difference between the fair value of the share at the date of exercise of SAR and the exercise price. The fair value of the SAR will be determined using Black Scholes Option Pricing Model. The fair value of SAR granted after applying an estimated forfeiture rate is amortised over the vesting period.

Scheme	Plan	Stock options outstanding	Vesting period (years)	Contractual term (years)	Weighted average exercise price (Rs.)	Classification / accounting treatment
SAR Plan 2	Grant 7 (Aug 2018)	2.15	1 - 3	7	1	Cash settled
	Grant 8 (Aug 2019)	29.13	1 - 3	7	1	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing cash settled option plans:

Particulars	Vesting period from the grant date	Vesting schedule
<b>SAR Plan 2 (Grant 7 &amp; Grant 8)</b>		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

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for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of stock options	Exercise price (Rs.)	Number of stock options	Exercise price (Rs.)
<b>Performance Unit Plan (Grant 7 &amp; Grant 8)</b>				
Outstanding at beginning of the year	85	1	-	-
Outstanding as on effective date of merger	-	-	85	1
Granted	-	-	-	-
Forfeited	(3)	1	-	-
Exercised	(50)	1	-	-
Outstanding at the year end	32	1	85	1
Exercisable at end of the year	3	1	-	-

Remaining contractual life for the options outstanding as of March 31, 2022 is 3.33 years (March 31, 2021 - 4.33 years) and 4.33 years (March 31, 2021 - 5.33 years) for Grant 7 and Grant 8 respectively.

Erstwhile Indus Towers Limited granted stock options under the SAR plan 2 to the eligible employees of the Company and the valuation as on March 31, 2020 i.e. before the effective date of merger on the basis of valuation of the erstwhile Indus. Considering the continuation of the same scheme post-merger, the valuation of options has been carried at the same value on the reporting date i.e. March 31, 2022, considering all other factors remaining unchanged. The outstanding liability and expense accrual on the plan is not material commensurating the employee benefit expense of the company.

### Notes:

- (i) Total employees stock/cash options expense recognised for the year ended March 31, 2022 and March 31, 2021 is Rs. 108 Mn and Rs. 26 Mn respectively.
- (ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of Rs. 625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] had acquired 1,652,000 equity shares of the Company from the open market at an average price of Rs. 377.72 per share in financial year of its incorporation i.e. FY 2014-15.

During the year ended March 31, 2022, Trust has acquired 340,000, 269,838 and 162 shares at a price of Rs. 243.43, 262.73 and 264.78 per share respectively and 200,560 equity shares of Rs. 10 each and 818 equity shares of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of March 31, 2022, the Trust holds 553,712 shares (of Face Value of Rs. 10 each) (March 31, 2021 - 145,090 shares) of the Company.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 34 Employee stock/cash settled option plans (Contd..)

### Reconciliation of numbers of shares held by ESOP Trust

Particulars	Number of Shares		(Rs. Million)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening balance	145,090	737,977	33	235
Purchased during the year	610,000	107,170	154	25
Share sold during the year	-	(497,532)	-	(173)
Issued during the year	(201,378)	(202,525)	(46)	(54)
<b>Closing balance</b>	<b>553,712</b>	<b>145,090</b>	<b>141</b>	<b>33</b>

## 35 Leases

The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is Rs. 175,981 Mn and Rs. 88,169 Mn for the year ended March 31, 2022 and March 31, 2021 respectively.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Future minimum lease income receivable:</b>		
Not later than one year	111,145	152,342
Later than one year but not later than five years	315,181	327,706
Later than five years	118,014	138,403
<b>Total</b>	<b>544,340</b>	<b>618,451</b>

## 36 Contingencies & Capital commitments

### a) Guarantees

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees issued by banks and financial institutions on behalf of the Company	1,107	839
<b>Total</b>	<b>1,107</b>	<b>839</b>

The financial bank guarantees have been issued to regulatory authorities.



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 36 Contingencies & Capital commitments (contd..)

### b) Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
Sales tax/VAT/GST (refer to a below)	21,753	25,879
Stamp duty (refer to b below)	224	224
Entry tax (refer to c below)	1,949	2,352
Municipal taxes (refer to d below)	10,375	8,391
Service tax (refer to e below)	40,590	39,964
(ii) Income tax matters (refer to f below)	37,978	38,592
(iii) Other claims (refer to g below)	2,021	2,879
<b>Total</b>	<b>114,890</b>	<b>118,281</b>

Unless otherwise stated below, the management, based on legal advice, believes that, the outcome of these contingencies will be favorable and loss is not probable.

#### a) Sales tax/VAT/GST

The claims for Sales tax comprise mainly of the case relating to levy of VAT on right to use in goods & non submission of concessional forms. During the year ended March 31, 2022, the Company has received favorable order from Hon'ble Madras High Court relating to levy of VAT on right to use in goods.

During the year ended March 31, 2022, Bihar GST Department has raised demand for disallowance of Input tax credit availed by the Company on passive infrastructure assets other than towers. The Company has preferred an appeal before first appellate authority.

#### b) Stamp duty

The Company had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

#### c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. The Company has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam and amended the pending petitions in the states of Mizoram, Bihar and Jammu & Kashmir. Pending disposition of each case by the High Courts, the company has decided to maintain 'Status Quo' on its position/assessment.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 36 Contingencies & Capital commitments (Contd..)

### b) Claims against the Company not acknowledged as debt (Contd..)

The state of Rajasthan has introduced amnesty scheme for settlement of old legacy cases prior to introduction of GST and company has initiated to opt the scheme with some exclusion of reassessment proceedings basis favorable ruling from the department and accordingly, amount payable as per the scheme is recognized in the books of accounts and Contingent Liability is adjusted to that extent. The tax computed by the department under the amnesty scheme was not in accordance with the provisions of the scheme hence, the company has opted to file a writ petition before Hon'ble High court and notice has been issued to department to file their response against such petition.

### d) Municipal taxes

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

### e) Service tax

The service tax department had issued certain orders for the disallowance of CENVAT credit availed on Inputs, Capital Goods and Input Services under pre- GST regime. The Company has filed writ petition before Hon'ble High Court of Delhi which was decided in favour of the Company vide order dated October 31, 2018 wherein it was held that towers are movable in nature and CENVAT credit can be availed on receipt of such goods. Further, Department has filed SLP before Hon'ble Supreme Court against the favorable order of Delhi High Court. The Hon'ble Supreme Court has tagged the SLP with pending matter on similar issue of telecom operators.

On the similar matter, there are contrary judgements by the Hon'ble High Court of Bombay in the case of telecom operators against which, such operators have filed SLP before Hon'ble Supreme Court. These matters are pending before Supreme Court for hearing.

In another issue department has raised demand alleging difference in turnover in 26AS vs ST 3 against which company had filed appeal before CESTAT, pending for hearing. Further, on the similar issue demand has also been confirmed for FY'16 & FY'18 for which the company has filed an appeal against the order.

In a separate proceeding before Directorate General of Central Excise Intelligence, the department had issued order for payment of excise duty on removal of scrap under pre- GST regime against which the Company has filed appeal before CESTAT, pending for hearing. The company has received favourable order from CESTAT, Chandigarh on issue of reversal of CENVAT credit on removal of scrap for FY'14 & FY'15.

### f) Income tax matters

This pertains to tax demands mainly on account of disallowance of depreciation on PIA assets transfer under merger scheme, provision for expenditure, Depreciation on Provisional capitalization, expenditure u/s 14A related to exempt income, short credit of taxes deducted etc. In these cases, the possibility of tax demand materializing is remote, based on internal assessment of the Company.

During the year, Tax authorities have granted tax credit of INR 347 Mn for FY'13. Consequently, the demand has been reduced by INR 622 Mn (including interest of INR 275 Mn).

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 36 Contingencies & Capital commitments (Contd..)

### b) Claims against the Company not acknowledged as debt (Contd..)

#### g) Other claims mainly include site and vendors related legal disputes

Amount assessed as contingent liability includes interest and penalty as demanded by various authorities and vendors and doesn't include interest liability that could be claimed by authorities in case of unfavorable orders. Further, show cause notices relating to the Direct and Indirect taxes have neither been acknowledged as claims nor considered as contingent liabilities.

- h) One of the State Electricity Board ('Board') revised the electricity tariff and has demanded Industrial to Commercial (I2C) tariff difference in respect of the electricity consumed by the Company for the operation of its towers and same was challenged before Appellate Tribunal by the Industry including the Company. The Appellate tribunal has decided in favor of Appellants including the Company in February 2020. The said order has been challenged by the Board before Hon'ble Supreme Court and in October 2020, the Hon'ble Supreme Court stayed the recovery of refund amount by the Appellant. Further, effective April 1, 2020, the Board has issued a circular where tower sites have been classified under Industrial tariff category. The Company believes that the outcome of the case will be favorable and the likelihood of outflow of resources is remote. Further, in case of unfavorable decision, which is not likely, the Company has obtained necessary undertakings from the customers for payment/reimbursement of differential cost.

### c) Capital commitment

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	2,307	6,479
<b>Total</b>	<b>2,307</b>	<b>6,479</b>

## 37 Fair values

Set out below is the comparison of class of the carrying amount and fair value of the Company's financial instruments that are recognized in the financial statements.

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>				
<b>- At fair value through profit or loss</b>				
Investment in mutual funds	13,653	19,773	13,653	19,773
Investment in government securities	2,868	2,941	2,868	2,941
<b>- At amortised cost</b>				
Cash and cash equivalents	9,800	130	9,800	130
Trade receivables	70,582	38,285	70,582	38,285
Other financial assets	34,849	40,309	34,849	40,309
	<b>131,752</b>	<b>101,438</b>	<b>131,752</b>	<b>101,438</b>

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 37 Fair values (Contd..)

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Liabilities</b>				
- <b>At amortised cost</b>				
Borrowings	54,868	81,641	54,868	81,641
Lease liabilities	142,392	133,958	142,392	133,958
Trade payables	21,250	32,575	21,250	32,575
Other financial liabilities	12,218	16,530	12,218	16,530
	<b>230,728</b>	<b>264,704</b>	<b>230,728</b>	<b>264,704</b>

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

- The carrying value of cash and cash equivalents, other bank balances, trade receivables, short term borrowings, variable rate long term borrowings, trade payables approximate their fair value mainly due to the short-term maturities of these instruments/ being subject to floating rates.
- The fair values of financial assets classified as fair value through profit or loss like investment in mutual funds, and government securities is based on net asset values/quoted market price at the reporting date.
- The fair value of security deposits included in other financial assets & other financial liabilities, lease liabilities and fixed rate long term borrowings (if any) is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities (other than security deposits) are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

There are no significant unobservable inputs used in the fair value measurement.

## 38 Fair value hierarchy

All financial instruments for which value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

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

Level 2: Inputs other than quoted parts included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 38 Fair value hierarchy (Contd..)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Level 1	Level 1
<b>Financial Assets</b>		
- <b>At fair value through profit or loss</b>		
- Investments in mutual funds	13,653	19,773
- Investments in government securities	2,868	2,941
<b>Total</b>	<b>16,521</b>	<b>22,714</b>

No financial assets have been classified into Level 2 and Level 3 fair value measurements.

Further, during the year ended March 31, 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

## 39 Related party Disclosures:

The names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

### a) List of related parties

#### i. Key management personnel (KMP)

Bimal Dayal, Managing Director and CEO w.e.f January 08, 2021 (CEO w.e.f November 19, 2020 and earlier he was appointed as Managing Director w.e.f October 22, 2020 till the effective date of merger i.e November 19, 2020)

Vikas Poddar, Chief Financial Officer (w.e.f January 12, 2021)

Samridhi Rodhe, Company Secretary

Pooja Jain, Chief Financial Officer (w.e.f June 4, 2020 till November 30, 2020)

Akhil Kumar Gupta, Chairman (till November 19, 2020)

D.S. Rawat, Managing Director and CEO (till August 3, 2020)

#### ii. Related parties where control existed (till November 18, 2020) irrespective of whether transactions have occurred or not:

Ultimate Holding Company                      Bharti Enterprises Holding Pvt. Ltd.

(It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company)

Parent Company                                      Bharti Airtel Limited



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 39 Related party Disclosures: (Contd..)

### iii. Related parties where control/significant influence exists w.e.f. from November 19, 2020:

Relationship	Related Party
Promoter Groups (w.e.f November 19, 2020)	Bharti Airtel Limited (Parent Company till November 18, 2020)
	Nettle Infrastructure Investments Limited (Fellow Subsidiary till November 18, 2020)
	Omega Telecom Holdings Private Limited
	Euro Pacific Securities Ltd
	Vodafone Telecommunications (India) Limited
	Trans Crystal Ltd
	Mobilvest
	Prime Metals Ltd
	CCII (Mauritius), Inc.
	Asian Telecommunication Investments (Mauritius) Ltd
	Al-Amin Investments Ltd
Usha Martin Telematics Limited	

### iv. Other related parties where control/joint control/significant influence exists and with whom transactions have taken place during the year:

Relationship	Related Party
Subsidiary Company	Smartx Services Limited
Joint Venture	Erstwhile Indus Towers Limited (ceased to exist and merged into the company w.e.f November 19, 2020)
	Bharti Hexacom Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
Entities having significant influence [includes Subsidiaries and Joint Venture of the promoter group]	Bharti Telemedia Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Nxtra Data Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Bharti Airtel Services Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Vodafone Idea Limited (w.e.f. November 19, 2020)
	KFin Technologies Private Limited (w.e.f. November 19, 2020 till February 23, 2022)*
Controlled trust	Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)

\*Related party having common directorship.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 39 Related party Disclosures: (Contd..)

### b) Related party transactions during the year:

Related party transactions represent transactions entered into by the Company with promoters, subsidiary Company, entities having significant influence over the Company, erstwhile joint venture and the controlled Trust. The transactions with these related parties for the year ended March 31, 2022 and March 31, 2021 and balances as at March 31, 2022 and March 31, 2021 are described below:

Particulars	Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2022*	2021	2022*	2021	2022*	2021	2022*	2021	2022*	2021
Relationship	Promoters		Subsidiary Company		Entities having significant influence		Erstwhile joint venture		Controlled trust	
<b>Nature of transaction</b>										
Loan given	-	-	(12)	(38)	-	-	-	-	(154)	(25)
Loan repaid	-	-	121	35	(348)	-	-	-	46	160
Prepayment received	-	-	-	-	-	(24,000)	-	-	-	-
Purchase of property, plant & equipment	-	-	(39)	-	(31)	-	-	-	-	-
Revenue from operations**	128,982	79,485	(38)	15	120,039	49,303	-	-	-	-
Procurement of services/ Reimbursement of expenses	(186)	(261)	(45)	8	(112)	(87)	-	(2)	-	-
Security deposit received	-	(15)	-	-	(5)	(7)	-	-	-	-
Security deposit refunded	-	18	-	-	-	26	-	-	-	-
Commission paid	-	-	-	-	-	-	-	(55)	-	-
Dividend received	-	-	-	-	-	-	-	4,200	-	-
Dividend paid/ declared	-	(26,373)	-	-	-	(13,504)	-	-	-	(6)
Interest expense	-	-	-	-	48	(900)	-	-	-	-
Interest income	-	-	-	-	-	169	-	-	-	-
Investment in equity	-	-	-	30	-	-	-	-	-	-
Share capital issued	-	(7,578)	-	-	-	-	-	-	-	-
	<b>128,796</b>	<b>45,276</b>	<b>(13)</b>	<b>50</b>	<b>119,591</b>	<b>11,000</b>	<b>-</b>	<b>4,143</b>	<b>(108)</b>	<b>129</b>

\*Refer note 3 and 51

\*\*Inclusive of GST and interest income on exit EMI and represents gross billed and unbilled transactions recorded during the year.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 39 Related party Disclosures: (Contd..)

Particulars	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2022*	2021	2022*	2021	2022*	2021	2022*	2021	2022*	2021
<b>Relationship</b>	<b>Promoters</b>		<b>Subsidiary Company</b>		<b>Entities having significant influence</b>		<b>Erstwhile joint venture</b>		<b>Controlled trust</b>	
Trade payables	(81)	(119)	(1)	-	(5)	(7)	-	-	-	-
Other liabilities	(646)	(950)	-	-	(552)	(745)	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	164	56
Other financial assets	10,096	11,000	83	229	11,514	14,949	-	-	-	-
Trade receivables #	24,857	20,482	-	-	59,191	46,447	-	-	-	-
Short term borrowings	-	-	-	-	-	(348)	-	-	-	-
Other financial liabilities	(1,431)	(1,431)	-	-	(1,689)	(2,589)	-	-	-	-
	<b>32,795</b>	<b>28,982</b>	<b>82</b>	<b>229</b>	<b>68,459</b>	<b>57,707</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>56</b>

# Represents gross billed transactions outstanding at the end of the year.

As at March 31, 2022, the Company has outstanding provision for doubtful debts pertaining to related parties amounting to Rs. 771 Mn (March 31, 2021: Rs. 2,546 Mn).

Figures in bracket indicate liability and figures without bracket indicates assets.

### Particulars in respect of loans and advances in the nature of loans as required by Regulation 34(3) read with Para A of Schedule V of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

Particulars	Balance as at		Maximum Outstanding	
	March 31, 2022 (refer note 3 & 51)	March 31, 2021	March 31, 2022	March 31, 2021
<b>Loan given to related parties</b>				
Smartx Services Limited*	83	192	185	197
Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)	164	56	204	191
<b>Total</b>	<b>247</b>	<b>248</b>	<b>389</b>	<b>388</b>

\* The Company has granted an interest free unsecured loan and the Company has not demanded the loan during the year.

The Company has not granted any amount in the nature of loans or advances to promoters, directors, KMPs and other related parties other than stated above. Further, The loan given to related party as mentioned above comprises 100% of the loan granted by the company.

# Notes to Financial Statements

for the year ended March 31, 2022

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## Payments made to Key management personnel/ non executive directors:

Particulars	Year ended	
	March 31, 2022 (refer note 3 & 51)	March 31, 2021
Short-term employee benefits (including salary and commission)	86	140
Post-employment benefits	9	8
Termination benefits	-	465
Share based payment	19	4
<b>Total</b>	<b>114</b>	<b>617</b>

Amount received from KMP for ESOP exercised during the year ended March 31, 2022 is Nil (March 31, 2021 : Nil\*)

\* Amount is less than 1 Mn

## Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year/period are unsecured and interest free and settlement occurs in cash and there have been no guarantees provided or received for any related party receivables or payables except in case of one of the related party referred in Note 49.

- 40** The Company is engaged in the business of establishing, operating and maintaining wireless communication towers. This is the only activity performed and there are no components of the Company that may be identified as a reportable segment. Further, as the Company does not operate in more than one geographical segment, the relevant disclosures as per Ind AS 108, "Operating Segments" are not applicable to the Company.

## 41 Items of income and expenditure exceeding 1% of revenue from operations

Particulars	Year ended	Year ended
	March 31, 2022 (refer note 3 & 51)	March 31, 2021
Dividend income from joint venture (erstwhile Indus Towers Limited)	-	4,200
Power and fuel - Network	102,587	51,501
Salaries, wages and bonus	7,182	4,903
Repair and maintenance - Plant and machinery	13,003	7,006
Depreciation and amortization expense	53,203	28,429
Interest expense	3,461	2,410
Interest on lease liabilities	10,912	4,977

# Notes to Financial Statements

for the year ended March 31, 2022

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**42** As per transitional provisions specified in Ind AS 101, "First time Adoption of Indian Accounting Standards". The Company has continued to apply the accounting prescribed under the scheme with respect to mergers listed below.

## a) Scheme accounting – Bharti Airtel Scheme

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. As per provisions of the Scheme, the Company has created a General reserve equivalent to the amount of fair value of such telecom infrastructure which shall be constituted as free reserve available for all purposes at the discretion of the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Accordingly, depreciation charges on the excess of fair value over the original book values are charged to General Reserve.

## b) Scheme accounting – Indus Scheme

Pursuant to the Scheme of Arrangement ('Indus Scheme') under sections 391 to 394 of the Companies Act, 1956, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), Bharti Infratel Ventures Limited and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'The Transferor Companies') and erstwhile Indus Towers Limited (referred to as 'erstwhile Indus' or 'The Transferee Company'), jointly filed an application for sanctioning a scheme of arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956. The Scheme was sanctioned by the Hon'ble High Court of Delhi vide its order dated April 18, 2013. The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order of the Hon'ble High Court with the Registrar of Companies, Delhi with an appointed date of April 1, 2009.

### General Reserve arising out of the Scheme

Pursuant to the terms of the Scheme, with effect from the appointed date, the Transferee Company recorded all assets of the Transferor Companies at fair value, all the liabilities and reserves at their book value and issued its equity shares to the shareholders. The excess of net value of assets, liabilities and reserves taken over and the consideration payable, has been transferred to a General Reserve account arising out of the Scheme. Accordingly, the General Reserve of Rs. 73,792 Mn was recognised on account of fair value adjustments as on April 1, 2009. Further, the General reserve amounting to Rs. 71,050 Mn was transferred from Bharti Infratel Ventures Limited and Idea Cellular Towers Infrastructure Limited to erstwhile Indus Towers Limited under the Scheme. The resultant total General Reserve recorded in erstwhile Indus Towers Limited amounted to Rs. 144,842 Mn as on April 1, 2009.

The General Reserve account of the Transferee Company created pursuant to the Scheme shall be treated as free reserve for all intents and purposes, including, without limitation, as may be decided by the Board of Directors, including for amortisation of any merger related expenses or losses, issuance of bonus shares, off-setting any additional or accelerated depreciation related to the fixed assets transferred to the transferee company pursuant to the Scheme, lease equalization reserve, asset retirement obligations, deferred tax assets or liabilities, as the case may be, any other expenses, impairment, losses or write-offs and any other permitted purposes and shall form part of the net worth of the Transferee company.

Further, pursuant to merger of erstwhile Indus with the Company (refer note 3), such General Reserve amounting to Rs. 73,257 Mn has been recognised in the Company at the carrying value on the effective date of merger i.e. November 19, 2020. The incremental depreciation for the period from November 19, 2020 to March 31, 2021 aggregating to Rs. 1,133 Mn (includes Rs. 589 Mn on account of alignment of accounting practices and estimates) and for the year ended March 31, 2022 amounting to Rs. 970 Mn has been adjusted against the General Reserve arising out of the Scheme.

Had the scheme approved by the Hon'ble High Court of Delhi did not prescribe the accounting treatment mentioned above, these amounts would have been recognized in the statement of profit and loss.



# Notes to Financial Statements

for the year ended March 31, 2022

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## c) Capital reserve arising out of slump purchase of assets

The wholly owned subsidiary of the Company erstwhile Bharti Infratel Ventures Limited ('BIVL') had acquired certain assets and liabilities from the Company as a going concern on slump sale basis for no consideration as on December 31, 2011. Pursuant to this, BIVL had recognised total assets amounting to Rs. 4,695 Mn, total liabilities of Rs 159 Mn and the resultant difference of Rs 4,536 Mn has been recognised as a Capital Reserve. Further, pursuant to Indus Scheme (refer note 42(b)), and thereafter merger of erstwhile Indus Towers Limited ('erstwhile Indus') with the Company (refer note 3) and upon transfer of all the assets, liabilities and reserves of BIVL to erstwhile Indus and from erstwhile Indus to the Company such capital reserve has been recognised at the carrying value in the books of the Company.

## 43 Charity and donation

### (i) Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2022 (refer note 3 & 51)	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year*	418	551
(ii) Amount of expenditure incurred	356	706
(iii) (Surplus)/Shortfall at the end of the year	62	(155)
(iv) Total of previous years shortfall	-	-

(v) **Reason for shortfall:** The amount has been incurred/spent on the ongoing projects through the eligible partners.

(vi) **The CSR amount has been spent on:** Education & skill development, Monitoring and administration, Disaster/ management initiatives, Sanitation project and Contribution to PM Cares fund (Covid) and Support during Covid (Disaster initiative).

\* Gross liability for the year ended March 31, 2022 of Rs. 573 Mn less brought forward from previous year Rs. 155 Mn.

During the year ended March 31, 2022, the Company has set off Rs. 155 Mn of CSR obligation which was excess spent by the Company during the year ended March 31, 2021 as per the Companies (CSR Policy) Amendment Rules, 2021. The remaining unspent money of Rs. 62 Mn has transferred to a separate bank account as per section 135 (6) of the Companies Act, 2013. The amount required to be spent by the Company for the year ended March 31, 2021 includes shortfall of Rs. 73 Mn pertaining to erstwhile Indus.

(ii) No political contribution was made for the financial year ended March 31, 2022 (March 31, 2021: Rs. 100 Mn paid to Prudent Electoral Trust). Further, the Company has spent Rs. 4 Mn (March 31, 2021: Nil) on Non-CSR projects during the year ended March 31, 2022.

## 44 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, trade payables, security deposits received, etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include investment in mutual funds and Government Securities, trade receivables, unbilled revenue, cash and cash equivalents, security deposits paid, etc. that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board of Directors and Audit Committee. This process provides

# Notes to Financial Statements

for the year ended March 31, 2022

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assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. The Company has not entered into any derivative transactions. All derivative activities if any, for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

- **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in mutual funds, Government Securities, fixed deposits and loans and borrowings etc.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

The Company's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has invested in Government securities which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. Further, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

**At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Variable rate instruments</b>		
Long term borrowings (refer note 15)	23,739	15,051
Current maturities of long term borrowings (refer note 20)	21,938	11,938
<b>Total</b>	<b>45,677</b>	<b>26,989</b>

### Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates of long-term debt obligations with floating interest rates. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 44 Financial risk management objectives and policies (Contd..)

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax increase/ (decrease)
For the year ended March 31, 2022 (refer note 3 & 51)	+ 100	(359)
	- 100	359
For the year ended March 31, 2021	+ 100	(89)
	- 100	89

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Company's functional currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Company has very limited foreign currency exposure mainly due to incurrence of some expenses. The Company may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.

The Company manages its foreign currency risk if any, by hedging appropriate percentage of its foreign currency exposure, as per approved established risk management policy.

The foreign currency exposures that have not been hedged are Rs. Nil\* (JPY 0.22 Mn) included in trade payable as at March 31, 2022 (March 31, 2021 : Rs. 5 Mn (USD 0.06 Mn)). The Company has not entered into any derivative arrangements during the year ended March 31, 2022.

\* Amount is less than 1 Mn

### Price risk

The Company invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid & Money Market schemes of mutual funds (liquid investments) and higher duration short term debt funds.

These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Company manages the price risk through diversification from time to time.

- Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

# Notes to Financial Statements

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## 44 Financial risk management objectives and policies (Contd..)

### Trade receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15/45 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Within due date	Less than 6 months	More than 6 months	Subtotal	Allowance for doubtful receivables	Total
Trade receivables as at March 31, 2022	30,676	40,337	3,245	74,258	(3,676)	<b>70,582</b>
Trade receivables as at March 31, 2021	11,171	25,033	6,931	43,135	(4,850)	<b>38,285</b>

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as given in Note 37.

### Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company closely monitors its liquidity position and deploys a robust cash management system.

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

Particulars	As at March 31, 2022						Total
	Carrying amount	Contractual cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Long term borrowings*	45,677	48,532	12,073	11,765	17,253	7,441	48,532
Short term borrowings**	9,191	9,220	9,220	-	-	-	9,220
Lease liabilities	142,392	210,398	18,410	13,266	25,409	153,313	210,398
Trade payables	21,250	21,250	21,250	-	-	-	21,250
Other financial liabilities #	12,218	13,893	8,816	15	295	4,767	13,893
<b>Total</b>	<b>230,728</b>	<b>303,293</b>	<b>69,769</b>	<b>25,046</b>	<b>42,957</b>	<b>165,521</b>	<b>303,293</b>

\*Includes long term borrowings, current maturities of long term borrowings and committed interest payments on such borrowings.

\*\*Includes short term borrowings and committed interest payments on such borrowings and excludes current maturities of long term borrowings.

# Include both non-current and current financial liabilities.

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 44 Financial risk management objectives and policies (Contd..)

Particulars	As at March 31, 2021						Total
	Carrying amount	Contractual cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Long term borrowings*	26,989	28,982	7,502	5,665	10,893	4,922	28,982
Short term borrowings**	54,652	54,911	54,911	-	-	-	54,911
Lease liabilities	133,958	199,094	17,623	12,393	23,056	146,022	199,094
Trade payables	32,575	32,575	32,575	-	-	-	32,575
Other financial liabilities #	16,530	18,665	11,464	2,029	149	5,023	18,665
<b>Total</b>	<b>264,704</b>	<b>334,227</b>	<b>124,075</b>	<b>20,087</b>	<b>34,098</b>	<b>155,967</b>	<b>334,227</b>

\*Includes long term borrowings, current maturities of long term borrowings and committed interest payments on such borrowings.

\*\*Includes short term borrowings and committed interest payments on such borrowings and excludes current maturities of long term borrowings.

# Include both non-current and current financial liabilities.

### Collateral

The Company does not have any secured loan as at March 31, 2022. However, during the previous year the charge was created in favour of the lenders for loans as at March 31, 2021. Refer note 15 for details.

- **Capital management**

For the purpose of Company's Capital management, Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

### The Company's gearing ratio was as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total borrowings	54,868	81,641
Less: investments	(16,521)	(22,714)
Less: cash and cash equivalents	(9,800)	(130)
<b>Net debt</b>	<b>28,547</b>	<b>58,797</b>
<b>Total equity</b>	<b>221,755</b>	<b>158,973</b>
<b>Gearing ratio</b>	<b>12.87%</b>	<b>36.99%</b>

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the year ended March 31, 2022.

**45** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Further, the amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2022 is Nil (March 31, 2021 : Nil).



# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 46 Ratios as per the Schedule III requirements

Sr. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Change from previous year	Explanation for any change in the ratio by more than 25% as compared to the preceding year
1	Current Ratio	Current assets	Current liabilities	1.40	0.69	102.29%	Mainly due to increase in trade receivables and decrease in short term borrowings
2	Debt-Equity Ratio	Long term borrowings (+) Short term borrowings	Total equity	0.25	0.51	-51.82%	Mainly due to decrease in borrowings and increase in total equity (increase in retained earnings)
3	Debt Service Coverage Ratio	Profit before depreciation and amortization, finance costs, finance income, charity and donation and tax (-) other income	Interest cost (+) Interest on lease liabilities (+) and repayments of long term borrowings (+) lease liabilities	3.09	3.68	-15.93%	
4	Return on Equity Ratio	Profit after tax (-) dividend income from joint venture	Average (of opening and closing) total equity (i.e. total equity as reduced by investment in subsidiary and joint venture.	33.47%	24.62%	35.98%	Mainly due to increase in profit after tax (not comparable on account of merger, refer note 3)
5	Trade receivables turnover ratio	Revenue from operations	Average (of opening and closing) trade receivables	5.09	6.65	-23.46%	
6	Trade payables turnover ratio	Total expenses (-) Provision for doubtful debts and advances (net)	Average (of opening and closing) trade payables	4.79	3.32	44.48%	Mainly due to increase in total expense (not comparable on account of merger, refer note 3)
7	Net capital turnover ratio	Revenue from operations	Current assets (-) Current liabilities	7.91	(3.23)	-344.49%	Mainly due to increase in revenue from operations (not comparable on account of merger, refer note 3)

# Notes to Financial Statements

for the year ended March 31, 2022  
(Amounts in millions of Indian Rupees, unless stated otherwise)

## 46 Ratios as per the Schedule III requirements

Sr. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Change from previous year	Explanation for any change in the ratio by more than 25% as compared to the preceding year
8	Net profit ratio	Profit after tax (-) dividend income from joint venture	Revenue from operation	22.98%	20.92%	9.85%	
9	Return on Capital employed	Profit before finance costs, finance income, and tax	Average (of opening and closing) capital employed (i.e. total equity as increased by long term borrowings, short term borrowings and lease liabilities as reduced by cash and cash equivalents, other bank balance and current and non-current investments (excluding investment in subsidiary)	26.65%	20.60%	29.38%	Mainly due to increase in profit before finance costs, finance income, and tax (not comparable on account of merger, refer note 3)
10	Return on investment	Income generated from invested funds	Average invested funds in treasury investments	3.30%	3.72%	-11.29%	

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

- 47** The Ministry of home affairs vide order No.40-3/2020 dated 24.03.2020 notified telecommunication services among the essential services which continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organisation. The passive infrastructure as well as active telecom operations of the Company's customers are covered under essential services which are actively engaged in fulfilling the surge in demand arising out of the choice exercised by almost all industries to conduct their operations remotely. Hence, the telecom industry is among the businesses that are least impacted due to COVID-19. The Company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the company is not expecting any change in estimates as of now as the company is running its business and operations as usual without any major disruptions.
- 48** The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited the suggestions from stakeholders. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 49** A large customer of the Company accounts for substantial part of net sales for the period ended March 31, 2022 and constitutes a significant part of trade receivables outstanding as at March 31, 2022.

The said customer in its declared results for quarter and nine months period ended December 31, 2021, "had expressed its ability to continue as going concern to be dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The said customer has met all its debt obligations till that date".

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. On October 14, 2021, Department of Telecommunications ('DoT') issued the required notifications giving an option for moratorium of Spectrum instalment and Adjusted Gross Revenue ('AGR') dues to be confirmed by the said customer on or before October 29, 2021. It also provided a period of 90 days to confirm upfront conversion, if any, of the interest amount arising due to such deferment into equity. The said customer has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect.

At its meeting held on January 10, 2022, the Board of Directors of the said customer approved the conversion of the full amount of such interest on the deferred instalments related to spectrum auction amounts and AGR dues into shares of the said customer's Company, either ordinary and / or preference, at the discretion of government. The said customer has notified the DoT accordingly. The next steps in this regard are subject to final confirmation by the DoT.

The aforementioned moratorium appears to have strengthened the said customer's ability to continue as a going concern.

During the quarter ended March 31, 2022, one of the promoters of the said customer, had proposed a plan for the payment to the Company of the outstanding MSA amounts of the said customer. The Board/Committee of the Board of the Company had agreed to accept the proposed payment plan and the modifications to the Security Arrangements that will secure the Company for a similar value as the value under the existing security package, on an understanding that the Company shall not invoke the security package until July 15, 2022 subject to the said customer committing to pay until July 15, 2022 certain minimum amounts each month aggregating to a minimum of Rs. 30,000 Mn to the Company. As per the terms agreed, monthly committed amounts have been paid by the customer till date.

Under the modified Security Arrangement, such promoter was allowed to dispose of all the primary pledged shares and use the proceeds to participate in an issue of new shares by the said customer to the promoter. The equity proceeds of Rs. 33,750

# Notes to Financial Statements

for the year ended March 31, 2022

(Amounts in millions of Indian Rupees, unless stated otherwise)

Mn received by the said customer from the promoter have been exclusively utilized to clear the customer's outstanding dues to the Company. Under the modified terms of the Security Arrangement, balance proceeds of Rs. 4,362.1 Mn from the sale of the primary pledged shares those are not used by the said promoter to subscribe to the new shares of the said customer, has been secured by way of a bank guarantee for the benefit of the Company.

In addition, the Company has a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the Company and the corporate guarantee by such promoter which could be triggered in certain situations and events in the manner agreed between the parties up to a maximum of Rs. 42,500 Mn. The fair value of secondary pledge is Rs. 16,800 Mn, net of promoter loan, as of March 31, 2022.

The Company has created adequate provision basis the policy followed in the past. Pursuant to such commitment, security and the guarantee by the promoter group of such customer, trade receivables are considered to be good and recoverable.

Notwithstanding the above, the potential loss of a significant customer due to its ability to continue as a going concern or the failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the Company.

- 50** 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 that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 51** Financial statements for the year ended March 31, 2022 are not comparable with the previous year due to the facts as mentioned in note 3. Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year grouping.

# Glossary

Company Related Terms	
22 Circles	Represents the 22 telecommunications circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai), West Bengal, Bihar, Madhya Pradesh and Chhattisgarh, Orissa, Jammu and Kashmir, Himachal Pradesh, Assam, North East states, Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West).
Adjusted EBITDA	It is defined as EBITDA as mentioned above, adjusted for Repayment of Lease liabilities.
Adjusted Fund from Operations (AFFO)	It is not an IND AS measure and is defined as EBITDA adjusted for Maintenance and General Corporate Capex and Non Cash IND AS measures, i.e., operating lease revenue/expense on security deposit received/paid till March 31, 2019. From the period ended June 30, 2019 onwards it is defined as Adjusted EBITDA less Maintenance and General Corporate Capex for the period.
Asset Turnover	Asset Turnover is defined as total revenues (revenues (annualized for 12 months), divided by average cumulative investments. Average cumulative investments are calculated by considering average of opening and closing assets of the relevant period
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
Bn	Billion
Book Value Per Equity Share	Total shareholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and net debt / (net cash) with lease liabilities.
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Closing Sharing Factor	Closing Sharing factor is calculated as the closing number of co-locations divided by closing number of towers as at the end of relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations (except such co-locations where exit notices have been received).
CSR	Corporate Social Responsibility
Cumulative Investments	Cumulative Investments comprises of gross fixed assets net of retirements/ disposals (including Capital Work In Progress).
Current Ratio	Current ratio is computed by dividing the total current assets by total current liabilities as on date.
Debt Equity Ratio	Debt Equity ratio is computed by dividing the sum of Long term and Short term debt by Equity shareholders' funds.
Debtor Turnover	It is computed by dividing Sum of Revenue from operations by average (of opening and closing) Trade Receivables during the relevant period.
Earnings Per Share (EPS)-Basic	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings Per Share (EPS)- Diluted	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.



Company Related Terms	
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortization excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortization expense, finance cost (net), tax expense and charity & donation.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortization and charity and donation including other income for the relevant period.
Enterprise Value (EV)	Calculated as sum of Market Capitalization plus Net Debt / (Net Cash) with lease liabilities as at the end of the relevant period.
EV / EBITDA (times)	Except for period from April 1, 2019 to March 31, 2020, it is computed by dividing Enterprise Value as at the end of the relevant period ('EV') by EBITDA for the preceding (last) 12 months from the end of the relevant period. For the financial year ended March 31 2020, it is computed by dividing Enterprise Value as at the end of the relevant period (EV) by annualized EBITDA for the end of the relevant period.
Future Minimum Lease Payment Receivable	The Company has entered into long term non-cancellable agreements to provide infrastructure services to telecom operators. Future Minimum Lease Payment Receivable represents minimum amounts receivable in future under the above long term non-cancellable agreements.
Finance Cost (Net)	Calculated as Finance Cost less Finance Income
GAAP	Generally Accepted Accounting Principle
IGAAP	Indian Generally Accepted Accounting Principle
IND AS	Indian Accounting Standards
Intangibles	Comprises of acquisition cost of software.
Interest Coverage Ratio (LTM)	For the full year ended March 31, 2018 and March 31, 2019, it is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by finance cost for the preceding (last) 12 months. For the financial year ended March 31, 2020, it is computed by dividing year till date EBITDA by year till date finance cost (net) for that relevant period. From the period ended June 30, 2020, it is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by finance cost (net) for the preceding (last) 12 months.
IRU	Indefeasible right to use
LTM	Last Twelve months
Lease Liabilities	"Lease Liabilities" represents the present value of the future lease payments over the lease terms of lease agreements with the landlords.
Lease Rent Equalisation	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
Market Capitalization	Number of current issued and outstanding shares multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Maintenance & General Corporate Capex	Represents the capital expenditure undertaken by the company for general maintenance, upkeep and replacement of equipments installed at the Towers which is undertaken on the end of their useful life as well as General Corporate related capital expenditure such as on office/ facilities and information technology.
NA	Not ascertainable
Net Debt / (Net Cash) with Lease Liabilities	It is not an IND AS measure and is defined as the sum of long-term, short-term borrowings and current maturities of long-term borrowings, current and non-current lease liabilities minus cash and cash equivalents, current and non-current investments, and other bank balances as at the end of the relevant period.

Company Related Terms	
Net Debt / (Net Cash) without Lease Liabilities	It is not an IND AS measure and is defined as the sum of ong-term, short-term borrowings and current maturities of long-term borrowings, minus cash and cash equivalents, current and non-current investments, and other bank balances as at the end of the relevant period.
Net Debt / (Net Cash) with Lease Liabilities to EBITDA	Except for period from April 1, 2019 to March 31, 2020, it is computed by dividing net debt / (net cash) with lease liabilities as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period. For the financial year ended March 31 2020, it is computed by dividing net debt / (net cash) with lease liabilities as at the end of the relevant period by annualized EBITDA of year till date period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing net debt / (net cash) with lease liabilities as at the end of the relevant period by Equity attributable to equity shareholders as at the end of the relevant period.
Operating Free Cash flow	It is not an IND AS measure and is defined as EBITDA adjusted for Capex and Non Cash IND AS measures, i.e., operating lease revenue/expense on security deposit received/paid till March 31, 2019. From the period ended June 30, 2019 onwards it is defined as Adjusted EBITDA less Capex for the period.
Operating Profit Margin (%)	Operating Profit Margin ratio is computed by dividing Profit (excluding other income) before depreciation and amortisation, finance cost, finance income, charity and donation, exceptional items and tax for the year ended by Revenue from Operations for the year ended
PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share.
Return On Capital Employed (ROCE)	Except for period from April 1, 2019 to March 31, 2020, it is computed by dividing sum of EBIT for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) capital employed during the relevant periods.
Pre Tax (LTM)	For the financial year ended March 31 2020, ROCE is computed by dividing the annualized EBIT of year till date period by average of opening capital employed as on April 1, 2019 including opening Ind AS 116 adjustments and closing that of relevant period ended.
Return On Equity (ROE) Pre Tax (LTM)	Except for period from April 1, 2019 to March 31, 2020, it is computed by dividing sum of Profit before tax for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) equity shareholders' funds during the relevant periods. For the financial year ended March 31 2020, it is computed by dividing annualized Profit before tax of year till date period by average of opening equity shareholders' funds as on April 1, 2019 including opening Ind AS 116 adjustments and closing that of relevant period ended.
Return On Equity (ROE) Post Tax-(LTM)	Except for period from April 1, 2019 to March 31, 2020, it is computed by dividing sum of Profit after tax for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) equity shareholders' funds during the relevant periods. For the financial year ended March 31 2020, it is computed by dividing annualized Profit after tax of year till date period by average of opening equity shareholders' funds as on April 1, 2019 including opening Ind AS 116 adjustments and closing that of relevant period ended.
Revenue per Employee per month Revenue Equalization	It is computed by dividing the Total Revenues (net of inter-segment eliminations) by the average number of on – roll employees in the business unit and number of months in the relevant period.
	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognized on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
Right of use Asset	An asset that represents a lessee's right to use an underlying asset for the lease term. This is calculated on the inception of the lease term basis the present value of lease payments over the lease term.
ROC	Registrar of Companies
SHA	Shareholders Agreement
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower

<b>Company Related Terms</b>	
Sharing Revenue	It represents total revenue excluding energy reimbursements accrued during the relevant period.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period (including such co-locations for which exit notices have been received, but actual exits have not yet happened as at period end), determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period.
SLA	Service Level Agreement
Smartx	Smartx Services Ltd
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and Related Infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works
<b>Regulatory Terms</b>	
BSE	The Bombay Stock Exchange Ltd
CCI	Competition Commission of India
CSR	Corporate Social Responsibility
DoT	Department of Telecommunications
IP1	Infrastructure Provider Category 1
IPO	Initial Public Offering
ISP license	Internet Service Provider license by DoT
NLD license	National Long Distance license by DoT
NSE	National Stock Exchange
SEBI	Securities and Exchange Board of India
TEC	Telecom Engineering Center
TRAI	Telecom Regulatory Authority of India
<b>Industry Specific &amp; Other Terms</b>	
AGM	Annual General Meeting
AP	Access Point
BTS	Base Transceiver Station
CHR	Circle Human Resource
CII	Confederation of Indian Industry
CoC	Code of Conduct
Company, We, Our	Indus Towers Limited
CST	Central Sales Tax
DAS	Distributed Antenna System
DG	Diesel Generator
EMF	Electro Magnetic Field
ESOP	Employee Stock Option Scheme
FCU	Free Cooling Unit

Company Related Terms	
FDI	Foreign Direct Investment
GBT	Ground Based Tower
GUI	Graphical user interface
HEX	Heat Exchanger
IoT	Internet of Things
IP-1	Infrastructure Provider Category I (IP-I)
IPMS	Integrated Power Management System
Li-Ion	Lithium Ion Battery
LTE	Long Term Evolution ( a 4G mobile communications standard)
MIMO	Multiple Input , Multiple Output
NABARD	National Bank for Agriculture and Rural Development
NABFINS	NABARD Financial Services Limited
NCLT	National Company Law Tribunal
NCU	Natural Cooling Unit
NGO	Non Government Organisation
O.D BTS	Out Door BTS
OFC Network	Optical Fiber Communication
PAN	Presence across Nation
PPC	Plug and Play Cabinet
PWD	Persons with Disabilities
RCA	Root Cause Analysis
RESCO	Renewable Energy Service Company
RET	Renewable Energy Technology
RoW	Right of Way
RTT	Roof Top Tower
SoS	Emergency Help
TAIPA	Tower and Infrastructure Providers Association
TAT	Turn Around Time
TERI	The Energy and Resource Institute.
TCO	Total Cost of Operation
VRLA	Valve-Regulated Lead-Acid Battery
WH	Warehouse
Wi-fi	Wireless Fidelity
ZOM	Zonal Office Manager









# Circle Offices

## Andhra Pradesh & Telangana

Survey No. 133, 4-51  
8<sup>th</sup> Floor, SLN Terminus,  
Beside Botanical Gardens  
Gachibowli, Hyderabad - 500032  
(Telangana)

## Bihar & Jharkhand

2<sup>nd</sup> Floor,  
Alankar Business Centre,  
East Boring Canal Road,  
Buddha Colony, Patna – 800001

## Delhi

Building No 10, Tower B,  
4<sup>th</sup> Floor DLF Cyber City,  
Gurgaon - 122 002 (Haryana)

## Gujarat

Baleshwar Square,  
103 S.G.Highway,  
Ahmedabad - 380054 (Gujarat)

## Jammu and Kashmir

3<sup>rd</sup> Floor, 29 GMC,  
TRG Building, Rail Head Complex,  
OPP North Block Bahu Plaza,  
Jammu, Jammu & Kashmir - 180012

## Karnataka

12, Tower D,  
Subramanya Arcade, 7<sup>th</sup> floor,  
Bannerghatta Rd,  
Bengaluru - 560 029 (Karnataka)

## Kerala

8<sup>th</sup> Floor, Vankarath Towers  
NH Bypass, Palarivattom,  
Cochin -682 024 (Kerala)

## Maharashtra & Goa

E Core, 2010, 2<sup>nd</sup> Floor,  
Marvel Edge, Viman Nagar,  
Pune 411014 (Maharashtra)

## Mumbai

Skyline Icon, 3<sup>rd</sup> Floor,  
Andheri Kurla Road,  
Near Mittal industrial Estate,  
Andheri East Mumbai-400059

## MP & Chhattisgarh

H3, 4<sup>th</sup> Floor, Metro Tower,  
Scheme No.54, Near Vijay Nagar,  
A.B. Road, Indore-452010 MP

## Assam & NESA

6<sup>th</sup> Floor, Bijay Crescent Building,  
Above Reliance Trends,  
Rukminigaon, G.S.Road,  
Guwahati - 781022

## Odisha

IDCO Plot No. C-3/2,  
Chandaka Industrial Area,  
Chandrasekharpur,  
Bhubneshwar - 751001

## Haryana, Punjab & Himachal Pradesh

Bestech Business Towers,  
1<sup>st</sup> Floor, Tower A  
Industrial Plot No.1, Phase-9,  
Sector-66 SAS Nagar (Mohali),  
Punjab 160059  
Chandigarh - 160 101 (Punjab)

## Rajasthan

6<sup>th</sup> Floor, Plot No. 8 & 9  
Corporate Park, Gopal Bari  
Ajmer Road, Jaipur – 302006

## Tamil Nadu & Chennai

ESPEE IT Park, 5(N.P),  
5<sup>th</sup> Floor, Jawaharlal Nehru Road,  
Ekkaduthangal, Chennai - 600 032  
(Tamil Nadu)

## UP East

6<sup>th</sup> Floor, BBD Viraj Towers,  
Vibhuti Khand, Gomtinagar,  
Lucknow - 226010 (Uttar Pradesh)

## UP West

2<sup>nd</sup> Floor, Tower No.-1,  
Okaya Centre, B-5, Sector-62,  
Gautam Budh Nagar  
Noida-201301 (Uttar Pradesh)

## West Bengal

Godrej Waterside Tower-1,  
8<sup>th</sup> Floor, Unit-801, Plot No. 5,  
Block - DP, Sector - V,  
Salt Lake City, Kolkata -700 091  
(West Bengal)



**indus**  
TOWERS

**Indus Towers Limited**

**Registered Office**

Building No. 10, Tower-A, DLF Cyber City,  
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[www.industowers.com](http://www.industowers.com)

