



January 24, 2023

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: Financial results for the third quarter (Q3) and nine months ended December 31, 2022**

Dear Sir/ Madam,

In compliance with Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the following for the third quarter (Q3) and nine months ended December 31, 2022:

- Audited consolidated financial results as per Ind-AS;
- Audited standalone financial results as per Ind-AS;
- Auditor's reports on the aforesaid financial results.

The above financial results have been reviewed by the Audit & Risk Management Committee in its meeting held today i.e., January 24, 2023 and based on its recommendation, approved by the Board of Directors in its meeting held today i.e., January 24, 2023. The Board Meeting commenced at 3.05 p.m. and concluded at 7:16 p.m.

Kindly take the same on record.

Thanking you,

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

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

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

## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INDUS TOWERS LIMITED (formerly Bharti Infratel Limited)

### Opinion

We have audited the Consolidated Financial Results for the quarter and nine months ended December 31, 2022 ("the Consolidated Financial Results") included in the accompanying "Statement of Audited Consolidated Financial Results for the quarter and nine months ended December 31, 2022" of **INDUS TOWERS LIMITED** (formerly Bharti Infratel Limited) ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter and nine months ended December 31, 2022, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- (i) includes the results of the following entities:
  - a. Indus Towers Limited (ITL) (formerly Bharti Infratel Limited) (Parent)
  - b. Smartx Services Limited (100% subsidiary of ITL)
  - c. Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust);
- (ii) is presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated net profit/loss and consolidated total comprehensive income/loss and other financial information of the Group for the quarter and nine months ended December 31, 2022.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Consolidated Financial Results for the quarter and nine months ended December 31, 2022 section below. 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 Results for the quarter and nine months ended December 31, 2022 under the provisions of the Act and the Rules 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.



**Emphasis of Matter**

**Material uncertainty at one of the largest customers of the Group and its consequential impact on Group's business operations**

We draw attention to note 4 of the consolidated financial results, which describes the impact on business operations, receivables and financial position of the Group on account of one of the largest customer's financial conditions 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 and vendors 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 this matter.

**Management's Responsibilities for the Consolidated Financial Results**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited consolidated financial statements for the year ended March 31, 2022, interim condensed consolidated financial statements for the quarter and half year ended September 30, 2022 and for the quarter and nine months ended December 31, 2022. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and nine months ended December 31, 2022 that give a true and fair view of the consolidated net profit/loss and consolidated other comprehensive income/loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations.

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 the 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 respective financial results 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 this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, 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 responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the quarter and nine months ended December 31, 2022 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 this Consolidated Financial Results.

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 Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 and Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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. 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 Results 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 Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the Consolidated Financial Results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results 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 Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results 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.



# Deloitte Haskins & Sells LLP

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.

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



*Jaideep Bhargava*

**Jaideep Bhargava**  
Partner  
(Membership No. 090295)  
UDIN: 23090295BGTURT2945

Place: Gurugram  
Date: January 24, 2023

**Indus Towers Limited (formerly Bharti Infratel Limited)**  
(CIN: L64201HR2006PLC073821)

Regd. Office: Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana

Telephone no. +91 124 4296766 Fax no. + 91 124 4289333, Email id: compliance.officer@industowers.com

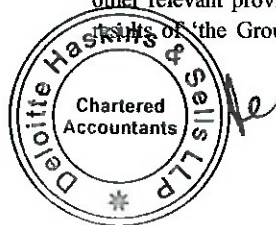
**Statement of Audited Consolidated Ind AS financial results for the quarter and nine months ended December 31, 2022**

(In Rs. Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Audited	Audited	Audited	Audited	Audited	Audited
<b>Income</b>						
Revenue from operations (Refer Note 4(e))	67,650	79,666	69,274	216,289	206,009	277,172
Other income	898	629	939	2,452	2,435	3,525
<b>Total income</b>	<b>68,548</b>	<b>80,295</b>	<b>70,213</b>	<b>218,741</b>	<b>208,444</b>	<b>280,697</b>
<b>Expenses</b>						
Power and fuel	26,220	27,177	25,676	80,312	78,650	102,658
Employee benefit expenses	2,000	1,957	1,943	5,791	5,663	7,722
Repairs and maintenance	3,394	3,335	3,386	10,097	10,026	13,467
Other expenses (Refer Note 5)	24,178	19,073	1,228	56,885	2,939	3,896
<b>Total expenses</b>	<b>55,792</b>	<b>51,542</b>	<b>32,233</b>	<b>153,085</b>	<b>97,278</b>	<b>127,743</b>
<b>Profit before depreciation and amortisation, finance costs, finance income, charity and donation, exceptional item and tax</b>	<b>12,756</b>	<b>28,753</b>	<b>37,980</b>	<b>65,656</b>	<b>111,166</b>	<b>152,954</b>
Depreciation and amortization expense	13,904	13,338	13,500	40,998	40,316	54,222
Less: adjusted with general reserve in accordance with the scheme of arrangement	(327)	(271)	(256)	(961)	(713)	(970)
<b>Finance costs</b>	<b>4,481</b>	<b>4,151</b>	<b>3,979</b>	<b>12,546</b>	<b>12,048</b>	<b>16,033</b>
Finance income	(941)	(227)	(186)	(1,362)	(822)	(1,060)
Charity and donation	232	12	54	847	344	422
<b>Profit/(Loss) before exceptional item and tax</b>	<b>(4,593)</b>	<b>11,750</b>	<b>20,889</b>	<b>13,588</b>	<b>59,993</b>	<b>84,307</b>
Exceptional item (Refer Note 4(e))	4,928	-	-	4,928	-	-
<b>Profit/(Loss) before tax</b>	<b>(9,521)</b>	<b>11,750</b>	<b>20,889</b>	<b>8,660</b>	<b>59,993</b>	<b>84,307</b>
<b>Income tax expense</b>	<b>(2,439)</b>	<b>3,032</b>	<b>5,181</b>	<b>2,251</b>	<b>14,547</b>	<b>20,576</b>
Current tax	4,316	7,037	4,982	15,945	14,670	20,373
Deferred tax	(6,755)	(4,005)	199	(13,694)	(123)	203
<b>Profit/(Loss) for the period / year</b>	<b>(7,082)</b>	<b>8,718</b>	<b>15,708</b>	<b>6,409</b>	<b>45,446</b>	<b>63,731</b>
<b>Other comprehensive income (OCI)</b>						
<b>Items that will not be re-classified to profit and loss</b>						
Remeasurement of the gain/ (loss) of defined benefit plans (net of tax)	-	(5)	-	(5)	15	36
<b>Other comprehensive income/(loss) for the period/year (net of tax)</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>(5)</b>	<b>15</b>	<b>36</b>
<b>Total comprehensive income/(loss) for the period/year (net of tax)</b>	<b>(7,082)</b>	<b>8,713</b>	<b>15,708</b>	<b>6,404</b>	<b>45,461</b>	<b>63,767</b>
Paid-up equity share capital (Face value Rs. 10 each)	26,949	26,949	26,949	26,949	26,949	26,949
Other equity	170,418	177,800	176,480	170,418	176,480	194,556
<b>Earnings per share (nominal value of share Rs. 10 each)</b>						
Basic	(2.628)	3.236	5.830	2.379	16.867	23.653
Diluted	(2.628)	3.235	5.830	2.378	16.866	23.651

**Notes to financial results**

- The above financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Audit & Risk Management Committee at its meeting held on January 24, 2023 and approved by the Board of Directors at its meeting held on January 24, 2023.
- The above financial results are extracted from the audited interim condensed consolidated financial statements of the Company, which have been prepared in accordance with Indian Accounting Standards (Ind AS 34 'Interim Financial Reporting') as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 issued thereunder and other relevant provisions of the Companies Act, 2013 as amended from time to time. The consolidated financial results represent results of 'the Group' which comprises of the Company, its subsidiary 'Smartx Services Limited' and its controlled trust 'Indus



Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)' prepared as per Ind AS 110 on Consolidated Financial Statements. The statutory auditors have expressed an unmodified audit opinion on these financial results.

3. The audited Standalone results of the Company are available on the Company's website [www.industowers.com](http://www.industowers.com) and on the Stock Exchanges websites [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). Key numbers of Standalone Financial Results of the Company are as under:

(In Rs. Million)							
S.No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
1	Revenue from operations	67,650	79,656	69,259	216,289	205,967	277,082
2	Profit/ (Loss) before tax	(9,515)	11,760	20,907	8,688	60,039	84,243
3	Profit/ (Loss) after tax	(7,076)	8,730	15,726	6,443	45,492	63,671

4. A large customer of the Group accounts for substantial part of net sales for the period ended December 31, 2022 and constitutes a significant part of trade receivables outstanding and unbilled revenue as at December 31, 2022.

(a) The said customer in its declared results for quarter ended September 30, 2022, had indicated that its ability to continue as a going concern is dependent on its ability to raise additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations to enable it to settle its liabilities as they fall due. The said customer had also indicated that so far it has met all its debt obligations till date.

(b) The Group, subject to the terms and conditions agreed between the parties, has a secondary pledge over promoter's remaining shares held in the Company and a corporate guarantee provided by said customer's promoter which could be triggered in certain situations and events in the manner agreed between the parties. This is however not adequate to cover the total outstanding with the said customer.

(c) During the quarter ended June 30, 2022, the said customer had informed the Company that a funding plan was under finalization with its lenders and had agreed to a payment plan with the Company to pay part of the monthly billing till December 2022 and 100% of the amounts billed from January 2023 onwards, which will be adjusted by the Company against the outstanding trade receivables. As regards, the dues outstanding as on December 31, 2022, the customer had agreed to pay the dues between January 2023 and July 2023.

(d) During the current quarter, the funding plan of the said customer has not materialized and although the committed part payment till December has been received, the customer has indicated challenges in complying with the higher payment plan in future. Accordingly, the Group followed a stringent policy for making doubtful debt allowance in respect of overdue recoverable. This has resulted in additional allowance for doubtful debt of Rs. 22,981 Mn during the quarter ended December 31, 2022.

(e) Further, as per Ind AS 116 "Leases", the Group has recognised revenue on the basis of straight lining of rentals over the contractual period and also created revenue equalization asset in the books of accounts. During the current quarter, the Group has taken impairment of the revenue equalization asset up to September 30, 2022 for this customer and shown the impact as an exceptional item in the statement of profit and loss. Further, the revenue amounting to Rs. 663 Mn for the quarter ended December 31, 2022 on account of straight lining of lease rentals is not recognized in the revenue from operations due to uncertainty of collection in future.

(f) It may be noted that the potential loss of a significant customer due to its ability to continue as a going concern or the Group's failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the Group.

5. Other expenses includes amount on account of allowances for doubtful debts as below:

Particulars	(In Rs. Million except per share data)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
Allowances for Doubtful Debt (net)	22,701	17,708	(209)	52,735	(689)	(1,167)



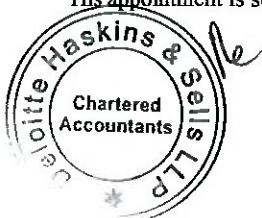
6. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Audited	Audited	Audited	Audited	Audited	
(i)	Debt-equity ratio (no. of times)	0.30	0.30	0.27	0.30	0.27	0.25
(ii)	Debt service coverage ratio (no. of times)	0.63	2.03	3.10	1.36	3.04	3.09
(iii)	Interest service coverage ratio (no. of times)	2.89	7.46	10.40	5.61	10.05	10.39
(iv)	Net worth (Rs. Mn)	171,855	178,935	176,789	171,855	176,789	195,071
(v)	Current ratio (no. of times)	0.98	1.00	1.10	0.98	1.10	1.39
(vi)	Long term debt to working capital (no. of times)	(17.92)	(70.42)	3.82	(17.92)	3.82	1.31
(vii)	Bad debts to account receivable ratio (%)	-	-	-	-	-	-
(viii)	Current liability ratio (no. of times)	0.36	0.40	0.39	0.36	0.39	0.34
(ix)	Total debts to total assets (no. of times)	0.13	0.13	0.12	0.13	0.12	0.11
(x)	Debtor turnover (annualised) (no. of times)	4.76	4.39	4.91	4.76	4.91	5.09
(xi)	Operating profit margin (%)	-2.54%	18.90%	34.35%	10.71%	33.56%	34.70%
(xii)	Net profit margin (%)	-10.47%	10.94%	22.68%	2.96%	22.06%	22.99%
(xiii)	Capital redemption reserve (Rs. Mn)	471	471	471	471	471	471
(xiv)	Net profit/(loss) after tax (Rs. Mn)	(7,082)	8,718	15,708	6,409	45,446	63,731
(xv)	Basic earnings per share (EPS) (Rs. per share) (not annualised for the quarter/nine months ended)	(2.628)	3.236	5.830	2.379	16.867	23.653
(xvi)	Diluted earnings per share (EPS) (Rs. per share) (not annualised for the quarter/nine months ended)	(2.628)	3.235	5.830	2.378	16.866	23.651

The basis of computation of above parameters is provided in the table below:

(i)	Debt-equity ratio	Debt-equity ratio is computed by dividing total borrowings (i.e. long-term borrowings and short term borrowings excluding lease liabilities) by total equity as on date.
(ii)	Debt service coverage ratio	Debt service coverage ratio is computed by dividing Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional items and tax excluding other income by interest on borrowings and lease liabilities and repayments of long-term borrowings and lease liabilities.
(iii)	Interest service coverage ratio	Interest service coverage ratio is computed by dividing Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional items and tax excluding other income by interest on borrowings (including interest on lease liabilities).
(iv)	Net worth	Net worth is as per section 2(57) of Companies Act, 2013.
(v)	Current ratio	Current ratio is computed by dividing the total current assets by total current liabilities as on date.
(vi)	Long term debt to working capital	Long term debt to working capital is computed by dividing long-term borrowings (including current maturities of long term borrowings) by working capital (where working capital is current assets as reduced by current liabilities).
(vii)	Bad debts to account receivable ratio	Bad debts to account receivable ratio is computed by dividing bad debts written off with trade receivables as on date.
(viii)	Current liability ratio	Current liability ratio is computed by dividing the total current liabilities by total liabilities as on date.
(ix)	Total debts to total assets	Total debts to total assets is computed by dividing total borrowings (i.e. long-term borrowings and short term borrowings excluding lease liabilities) by total assets as on date.
(x)	Debtor turnover	Debtor turnover is computed by dividing revenue from operations by average (of opening and closing) trade receivables during the year/period.
(xi)	Operating profit margin	Operating profit margin is computed by dividing Profit/(loss) before finance costs, finance income, charity and donation, exceptional items and tax excluding other income by revenue from operation for the period/year.
(xii)	Net profit margin	Net profit margin is computed by dividing net profit/(loss) after tax by revenue from operation for the period/year.

7. The Group has issued 15,000 rated, listed, unsecured, redeemable non-convertible debentures of face value of Rs. 10,00,000 each in three series aggregating upto Rs. 15,000 Mn on private placement basis at a fixed Coupon rate of 8.20% per annum payable annually and payable on the maturity along with principal. The series I, II and III will be due for maturity on December 07, 2024, June 07, 2025 and December 07, 2025 respectively.
8. Mr. Prachur Sah has been appointed as Managing Director and CEO of the Company w.e.f January 03, 2023 for a period of 5 years. His appointment is subject to the approval of shareholders in accordance with the applicable laws.





9. Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] was incorporated in FY 2014-15. During the nine months ended December 31, 2022, 284,476 equity shares of Rs. 10 each and 743 equity shares of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of September 30, 2022, the Trust holds 269,236 shares (of Face Value of Rs. 10 each) (March 31, 2022 - 553,712 shares) of the Company.
10. 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 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.

For Indus Towers Limited (formerly Bharti Infratel Limited)



**Prachur Sah**  
Managing Director and CEO  
DIN: 07871676

Place: Gurugram  
Date: January 24, 2023

"The Company", wherever stated stands for Indus Towers Limited (formerly Bharti Infratel Limited).  
For more details on the financial results, please visit our website [www.industowers.com](http://www.industowers.com)

## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INDUS TOWERS LIMITED (formerly Bharti Infratel Limited)

### Opinion

We have audited the Interim Standalone Financial Results for the quarter and nine months ended December 31, 2022 ("the Standalone Financial Results") included in the accompanying "Statement of Audited Standalone Ind AS Financial Results for the quarter and nine months ended December 31, 2022" of **INDUS TOWERS LIMITED** (formerly Bharti Infratel Limited) ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit/loss and total comprehensive income/loss and other financial information of the Company for the quarter and nine months then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for Audit of the Standalone Financial Results 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules 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.

### Emphasis of Matter

#### Material uncertainty at one of the largest customers of the Company and its consequential impact on Company's business operations

We draw attention to note 3 of the standalone financial results, which describes the impact on business operations, receivables and financial position of the Company on account of one of the largest customers financial conditions 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 and vendors for continued support and generation of cash for its operations that it needs to settle its liabilities as they fall due.

Our opinion on the statement is not modified in respect of above matter.



### **Management's Responsibilities for the Standalone Financial Results**

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited standalone financial statements for the year ended March 31, 2022, interim condensed financial statements for the quarter and nine months ended December 31, 2022 and for the quarter and half year ended September 30, 2022. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and nine months ended December 31, 2022 that give a true and fair view of the net profit/loss and other comprehensive income/loss and other financial information in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone Financial Results for the quarter and nine months ended December 31, 2022 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 this standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

We also evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 and Regulation 52 of the Listing Regulations.



# Deloitte Haskins & Sells LLP

- Conclude on the appropriateness of the Board of Directors' 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 Company 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 Statement 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 Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Results.

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.

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



A handwritten signature in blue ink that reads "Jaideep Bhargava".

Jaideep Bhargava  
Partner  
(Membership No. 090295)  
UDIN: 23090295BGTURS9152

Place: Gurugram  
Date: January 24, 2023

**Indus Towers Limited (formerly Bharti Infratel Limited)**  
(CIN: L64201HR2006PLC073821)

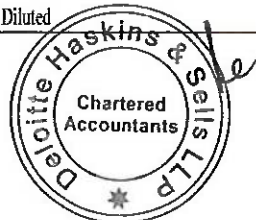
Regd. Office: Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana

Telephone No. +91 124 4296766 Fax no. + 91 124 4289333, Email id: compliance.officer@industowers.com

**Statement of Audited Standalone Ind AS financial results for the quarter and nine months ended December 31, 2022**

(In Rs. Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Audited	Audited	Audited	Audited	Audited	Audited
<b>Income</b>						
Revenue from operations {refer note 3(e)}	67,650	79,666	69,259	216,289	205,967	277,082
Other income	898	629	939	2,452	2,435	3,525
<b>Total income</b>	<b>68,548</b>	<b>80,295</b>	<b>70,198</b>	<b>218,741</b>	<b>208,402</b>	<b>280,607</b>
<b>Expenses</b>						
Power and fuel	26,220	27,177	25,673	80,312	78,645	102,653
Employee benefit expenses	2,000	1,957	1,943	5,791	5,663	7,722
Repairs and maintenance	3,393	3,336	3,386	10,096	10,026	13,467
Other expenses (refer note 4)	24,178	19,069	1,216	56,876	2,910	3,935
<b>Total expenses</b>	<b>55,791</b>	<b>51,539</b>	<b>32,218</b>	<b>153,075</b>	<b>97,244</b>	<b>127,777</b>
<b>Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional item and tax</b>	<b>12,757</b>	<b>28,756</b>	<b>37,980</b>	<b>65,666</b>	<b>111,158</b>	<b>152,830</b>
Depreciation and amortization expense	13,899	13,331	13,485	40,980	40,272	54,173
Less: adjusted with General Reserve in accordance with the scheme of arrangement	(327)	(271)	(256)	(961)	(713)	(970)
Finance costs	13,572	13,060	13,229	40,019	39,559	53,203
Finance income	4,481	4,151	3,976	12,546	12,038	16,022
Charity and donation	(941)	(227)	(186)	(1,362)	(822)	(1,060)
Profit/(Loss) before exceptional item and tax	232	12	54	847	344	422
Exceptional item {refer note 3(e)}	(4,587)	11,760	20,907	13,616	60,039	84,243
Profit/(Loss) before tax	4,928	-	-	4,928	-	-
Income tax expense:	(9,515)	11,760	20,907	8,688	60,039	84,243
Current tax	(2,439)	3,030	5,181	2,245	14,547	20,572
Deferred tax	4,316	7,035	4,982	15,943	14,670	20,373
Deferred tax	(6,755)	(4,005)	199	(13,698)	(123)	199
Profit/(Loss) for the period/year	(7,076)	8,730	15,726	6,443	45,492	63,671
<b>Other comprehensive income ('OCI')</b>						
Items that will not be re-classified to profit and loss						
Remeasurements gains/(loss) of defined benefit plans (net of tax)	-	(3)	-	(5)	15	36
Other comprehensive income/(loss) for the period/year, net of tax	-	(5)	-	(5)	15	36
<b>Total comprehensive income/(loss) for the period/year, net of tax</b>	<b>(7,076)</b>	<b>8,725</b>	<b>15,726</b>	<b>6,438</b>	<b>45,507</b>	<b>63,707</b>
Paid-up equity share capital (Face value Rs. 10 each)	26,949	26,949	26,949	26,949	26,949	26,949
Other equity	170,627	178,043	176,877	170,627	176,877	194,806
<b>Earnings per equity share (Nominal value of share is Rs. 10 each)</b>						
Basic	(2.626)	3.239	5.835	2.391	16.881	23.626
Diluted	(2.626)	3.239	5.835	2.391	16.881	23.626



### Notes to financial results

1. The above financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Audit & Risk Management Committee at its meeting held on January 24, 2023 and approved by the Board of Directors at its meeting held on January 24, 2023.
2. The above financial results are extracted from the audited interim condensed standalone financial statements of the Company which have been prepared in accordance with Indian Accounting Standards (Ind AS 34 'Interim Financial Reporting') as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 issued thereunder and other relevant provisions of the Companies Act, 2013 as amended from time to time. The statutory auditors have expressed an unmodified audit opinion on these financial results.
3. A large customer of the Company accounts for substantial part of net sales for the period ended December 31, 2022 and constitutes a significant part of trade receivables outstanding and unbilled revenue as at December 31, 2022.

(a) The said customer in its declared results for quarter ended September 30, 2022, had indicated that its ability to continue as a going concern is dependent on its ability to raise additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations to enable it to settle its liabilities as they fall due. The said customer had also indicated that so far it has met all its debt obligations till date.

(b) The Company, subject to the terms and conditions agreed between the parties, has a secondary pledge over promoter's remaining shares held in the Company and a corporate guarantee provided by said customer's promoter which could be triggered in certain situations and events in the manner agreed between the parties. This is however not adequate to cover the total outstanding with the said customer.

(c) During the quarter ended June 30, 2022, the said customer had informed the Company that a funding plan was under finalization with its lenders and had agreed to a payment plan with the Company to pay part of the monthly billing till December 2022 and 100% of the amounts billed from January 2023 onwards, which will be adjusted by the Company against the outstanding trade receivables. As regards, the dues outstanding as on December 31, 2022, the customer had agreed to pay the dues between January 2023 and July 2023.

(d) During the current quarter, the funding plan of the said customer has not materialized and although the committed part payment till December has been received, the customer has indicated challenges in complying with the higher payment plan in future. Accordingly, the Company followed a stringent policy for making allowance for doubtful debt in respect of overdue recoverable. This has resulted in additional allowance for doubtful debts of Rs. 22,981 Mn during the quarter ended December 31, 2022.

(e) Further, as per Ind AS 116 "Leases", the Company has recognised revenue on the basis of straight lining of rentals over the contractual period and also created revenue equalization asset in the books of accounts. During the current quarter, the Company has taken impairment of the revenue equalization asset up to September 30, 2022 for this customer and shown the impact as an exceptional item in the statement of profit and loss. Further, the revenue amounting to Rs. 663 Mn for the quarter ended December 31, 2022 on account of straight lining of lease rentals is not recognized in the revenue from operations due to uncertainty of collection in future.

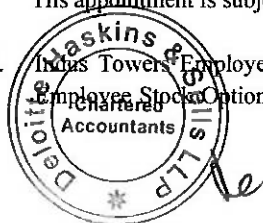
(f) It may be noted that the potential loss of a significant customer due to its ability to continue as a going concern or the Company's failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the Company.

4. Other expenses includes an amount on account of allowances for doubtful debts as below:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
Allowances for doubtful debts (net)	22,701	17,709	(211)	52,733	(693)	(1,174)

5. Mr. Prachur Sah has been appointed as Managing Director and CEO of the Company w.e.f January 03, 2023 for a period of five years. His appointment is subject to the approval of shareholders in accordance with the applicable laws.

6. Indus Towers Employees Welfare Trust (formerly Bharat Infratel Employees Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] was incorporated in FY 2014-15. During the nine months ended December



31, 2022, 283,733 equity shares of Rs. 10 each and 743 equity shares of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2022, the Trust holds 269,236 shares (of Face Value of Rs. 10 each) (March 31, 2022 - 553,712 shares) of the Company.

7. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

S. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Audited	Audited	Audited	Audited	Audited	Audited
(i)	Debt-equity ratio (no. of times)	0.30	0.29	0.27	0.30	0.27	0.25
(ii)	Debt service coverage ratio (no. of times)	0.63	2.03	3.10	1.36	3.04	3.09
(iii)	Interest service coverage ratio (no. of times)	2.89	7.46	10.41	5.61	10.06	10.39
(iv)	Net worth (Rs. Mn)	170,998	178,072	176,010	170,998	176,010	194,186
(v)	Current ratio (no. of times)	0.98	1.00	1.10	0.98	1.10	1.40
(vi)	Long term debt to working capital (no. of times)	(18.97)	(104.26)	3.73	(18.97)	3.73	1.30
(vii)	Bad debts to account receivable ratio (%)	-	-	-	-	-	-
(viii)	Current liability ratio (no. of times)	0.36	0.40	0.39	0.36	0.39	0.34
(ix)	Total debts to total assets (no. of times)	0.13	0.13	0.12	0.13	0.12	0.11
(x)	Debtor turnover (annualised) ((no. of times)	4.76	4.39	4.96	4.76	4.91	5.09
(xi)	Operating profit margin (%)	-2.53%	18.91%	34.38%	10.72%	33.58%	34.68%
(xii)	Net profit margin (%)	-10.46%	10.96%	22.71%	2.98%	22.09%	22.98%
(xiii)	Capital redemption reserve (Rs. Mn)	471	471	471	471	471	471
(xiv)	Net profit/(loss) after tax (Rs. Mn)	(7,076)	8,730	15,726	6,443	45,492	63,671
(xv)	Basic and diluted earnings per share (EPS) (Rs. per share) (not annualised for the quarter/nine months ended)	(2.626)	3.239	5.835	2.391	16.881	23.626

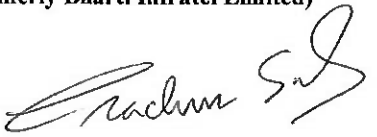
The basis of computation of above parameters is provided in the table below:

(i)	<b>Debt-equity ratio</b>	Debt-equity ratio is computed by dividing total borrowings (i.e. long-term borrowings and short term borrowings excluding lease liabilities) by total equity as on date.
(ii)	<b>Debt service coverage ratio</b>	Debt service coverage ratio is computed by dividing Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional items and tax excluding other income by interest on borrowings and lease liabilities and repayments of long-term borrowings and lease liabilities.
(iii)	<b>Interest service coverage ratio</b>	Interest service coverage ratio is computed by dividing Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional items and tax excluding other income by interest on borrowings (including interest on lease liabilities).
(iv)	<b>Net worth</b>	Net worth is as per section 2(57) of Companies Act, 2013.
(v)	<b>Current ratio</b>	Current ratio is computed by dividing the total current assets by total current liabilities as on date.
(vi)	<b>Long term debt to working capital</b>	Long term debt to working capital is computed by dividing long-term borrowings (including current maturities of long term borrowings) by working capital (where working capital is current assets as reduced by current liabilities).
(vii)	<b>Bad debts to account receivable ratio</b>	Bad debts to account receivable ratio is computed by dividing bad debts written off with trade receivables as on date.
(viii)	<b>Current liability ratio</b>	Current liability ratio is computed by dividing the total current liabilities by total liabilities as on date.
(ix)	<b>Total debts to total assets</b>	Total debts to total assets is computed by dividing total borrowings (i.e. long-term borrowings and short term borrowings excluding lease liabilities) by total assets as on date.
(x)	<b>Debtor turnover</b>	Debtor turnover is computed by dividing revenue from operations by average (of opening and closing) trade receivables during the year/period.
(xi)	<b>Operating profit margin</b>	Operating profit margin is computed by dividing Profit/(loss) before finance costs, finance income, charity and donation, exceptional items and tax excluding other income by revenue from operation for the period/year.
(xii)	<b>Net profit margin</b>	Net profit margin is computed by dividing net profit/(loss) after tax by revenue from operation for the period/year.



8. The Company has issued 15,000 rated, listed, unsecured, redeemable non-convertible debentures of face value of Rs. 10,00,000 each in three series aggregating upto Rs. 15,000 Mn on private placement basis at a fixed Coupon rate of 8.20% per annum payable annually and payable on the maturity along with principal. The series I, II and III will be due for maturity on December 07, 2024, June 07, 2025 and December 07, 2025 respectively.
9. The Company was set-up with the object of, inter alia, establishing, operating and maintaining wireless communication towers. This is the only activity performed and is thus also the main source of risks and returns. The Company'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 performance of the Company. Accordingly, the Company has a single reportable segment. Further, as the Company 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 Company.

For Indus Towers Limited (formerly Bharti Infratel Limited)



**Prachur Sah**  
**Managing Director and CEO**  
**DIN: 07871676**



**Place: Gurugram**  
**Date: January 24, 2023**

"The Company", wherever stated stands for Indus Towers Limited (formerly Bharti Infratel Limited)  
For more details on the financial results, please visit our website [www.industowers.com](http://www.industowers.com)