August 09, 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.: Notice of 17th Annual General Meeting ('AGM') and Integrated Report and Annual Accounts for the Financial Year ended on March 31, 2023 ("Integrated Report")

Dear Sir/ Madam,

Further to our letter dated August 08, 2023, and pursuant to the Regulation 30, 34, 44, 53 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that:

1. The 17th (Seventeenth) AGM of the Company will be held on **Thursday, August 31, 2023, at 03:30 p.m. (IST) through Video Conferencing/ Other Audio-Visual Means**, in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. Notice of the AGM along with the Integrated Report and Annual Accounts 2022-23 including Business Responsibility and Sustainability Report (BRSR) are enclosed and also being sent through electronic mode to all the Members of the Company whose email addresses are registered with the Company or Depository Participant(s) as on Friday, August 4, 2023.

2. 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. **Thursday, August 24, 2023.** The remote e-voting will commence **on Monday, August 28, 2023 at 9:00 A.M. (IST) and will end on Wednesday, August 30, 2023 at 5.00 p.m. (IST) (both days inclusive)**. Detailed instructions for remote e-voting and e-voting/ attendance during the AGM are given in the Notice of AGM.

The Notice and Integrated Report including aforementioned documents are also available on the website of the Company at www.industowers.com.

This is for your information and records.

Thanking you,
Yours faithfully,

For **Indus Towers Limited**

SAMRIDHI
RODHE

Digitally signed by SAMRIDHI RODHE
DN: c=IN, o=PERSONAL,
pseudonym=854447ee41a52905a238fdb1a79b7681cd85011663c8c0754e29aaeea767f35e, postalCode=110015,
st=DELHI,
serialNumber=6731e060e0bc5e3f830e585ae35e03ad273571a3d2d3b18fae6befc393248689, cn=SAMRIDHI RODHE
Date: 2023.08.09 23:14:17 +05'30'

**Samridhi Rodhe**
**Company Secretary & Compliance Officer**

Encl.: As above

## INDUS TOWERS LIMITED

**CIN:** L64201HR2006PLC073821
**Regd. Office:** Building No. 10, Tower A, 4th Floor, DLF Cyber City Gurugram, 122002, Haryana
**Tel.:** +91-124-4296766; **Fax:** +91-124-4289333
**Email id:** compliance.officer@industowers.com
**Website:** www.industowers.com

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th (Seventeenth) Annual General Meeting ("AGM") of the Members of Indus Towers Limited ("the Company"), will be held on Thursday, August 31, 2023 at 3.30 P.M. (IST) through Video Conferencing and/or Other Audio-Visual Means to transact the following businesses:

## Ordinary Businesses

To consider and, if thought fit, to pass, the following resolutions as **Ordinary Resolutions:**

1. **To receive, consider and adopt the standalone and consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023**

   "Resolved that the audited standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 as per IND-AS including reports of the Board and Auditors thereon and audited consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 as per IND-AS including report of Auditors thereon be and are hereby received, considered and adopted."

2. **Re-appointment of Mr. Harjeet Singh Kohli (DIN:07575784) as a Director liable to retire by rotation**

   "Resolved that Mr. Harjeet Singh Kohli (DIN: 07575784), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

3. **Re-appointment of Mr. Randeep Singh Sekhon (DIN: 08306391) as a Director liable to retire by rotation**

   "Resolved that Mr. Randeep Singh Sekhon (DIN: 08306391), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. **Re-appointment of Mr. Ravinder Takkar (DIN: 01719511) as a Director liable to retire by rotation**

   "Resolved that Mr. Ravinder Takkar (DIN: 01719511), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

## Special Businesses

To consider and, if thought fit, to pass, the following resolutions as **Ordinary Resolutions:**

5. **To approve Material Related Party Transaction(s) with Bharti Airtel Limited**

   "Resolved that pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), applicable provisions of the Companies Act, 2013 ('**the Act**') read with Rules made thereunder, other applicable circulars, laws/ statutory provisions, if any (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), in addition to the existing approvals in this regard and the Policy on Related Party Transactions of the Company and subject to such approval(s), consent(s), permission(s), if and when necessary, desirable and expedient in law and basis the approval/ recommendation of the Audit & Risk Management Committee and the Board of Directors of the Company (hereinafter referred to as '**the Board**' which term shall be deemed to include the Audit & Risk Management Committee of the Company and any duly constituted/ to be constituted committee of Board of Directors thereof to exercise its powers including powers conferred under this resolution), approval of the Members of the Company be and is hereby accorded to the Board to enter/ continue to enter into Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with Bharti Airtel Limited ('**Bharti Airtel**'), the Promoter of the Company and a Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between Bharti Airtel and the Company for a period commencing from the date of this 17th Annual General Meeting ("AGM") upto the date of 18th AGM to be held in calendar year 2024 subject to a maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard for an amount not exceeding aggregate of Rs.17,000 Crore per annum provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out on an arm's length basis and in the ordinary course of the business of the Company.

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including but not limited to finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to the foregoing resolution for and on behalf of the Company, settling all such issues, questions, difficulties or doubts whatsoever that may arise, delegating all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company, and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

### 6. To approve Material Related Party Transaction(s) with Bharti Hexacom Limited

"Resolved that pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), applicable provisions of the Companies Act, 2013 ('**the Act**') read with Rules made thereunder, other applicable circulars, laws/ statutory provisions, if any (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), in addition to the existing approvals in this regard and the Policy on Related Party Transactions of the Company and subject to such approval(s), consent(s), permission(s), if and when necessary, desirable and expedient in law and basis the approval/ recommendation of the Audit & Risk Management Committee and the Board of Directors of the Company (hereinafter referred to as '**the Board**' which term shall be deemed to include the Audit & Risk Management Committee of the Company and any duly constituted/ to be constituted committee of Board of Directors thereof to exercise its powers including powers conferred under this resolution), approval of the Members of the Company be and is hereby accorded to the Board to enter/ continue to enter into Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with Bharti Hexacom Limited ('**Bharti Hexacom**'), a Related Party under Regulation 2(1)(zb) of the Listing Regulations on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between Bharti Hexacom and the Company for a period commencing from the date of this 17th Annual General Meeting ("AGM") upto the date of 18th AGM to be held in calendar year 2024 subject to a maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard for an amount not exceeding aggregate of Rs.1,200 Crore per annum provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out on an arm's length basis and in the ordinary course of the business of the Company.

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including but not limited to finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to the foregoing resolution for and on behalf of the Company, settling all such issues, questions, difficulties or doubts whatsoever that may arise, delegating all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company, and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

## 7. To approve Material Related Party Transaction(s) with Vodafone Idea Limited

"Resolved that pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), applicable provisions of the Companies Act, 2013 ('**the Act**') read with Rules made thereunder, other applicable circulars, laws/ statutory provisions, if any (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), in addition to the existing approvals in this regard and the Policy on Related Party Transactions of the Company and subject to such approval(s), consent(s), permission(s), if and when necessary, desirable and expedient in law and basis the approval/ recommendation of the Audit & Risk Management Committee and the Board of Directors of the Company (hereinafter referred to as '**the Board**' which term shall be deemed to include the Audit & Risk Management Committee of the Company and any duly constituted/ to be constituted committee of Board of Directors thereof to exercise its powers including powers conferred under this resolution), approval of the Members of the Company be and is hereby accorded to the Board to enter/ continue to enter into Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with Vodafone Idea Limited (**'VIL'**), a Related Party under Regulation 2(1)(zb) of the Listing Regulations on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between VIL and the Company for a period commencing from the date of this 17th Annual General Meeting ("AGM") upto the date of 18th AGM to be held in calendar year 2024 subject to a maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard for an amount not exceeding aggregate of Rs.14,000 Crore per annum provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out on an arm's length basis and in the ordinary course of the business of the Company.

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including but not limited to finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to the foregoing resolution for and on behalf of the Company, settling all such issues, questions, difficulties or doubts whatsoever that may arise, delegating all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company, and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**Registered Office:**
**Indus Towers Limited**
Building No. 10, Tower A, 4th Floor,
DLF Cyber City Gurugram, 122002, Haryana
CIN: L64201HR2006PLC073821
Email id: compliance.officer@industowers.com

Place: Gurugram
Date: August 7, 2023

By order of the Board of Directors
**For Indus Towers Limited**

**Samridhi Rodhe**
Company Secretary and Compliance Ofiicer
Membership No. A25440
Building No. 10, Tower A, 4th Floor,
DLF Cyber City Gurugram, 122002, Haryana

## NOTES

1. An explanatory statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 (the 'Act'), read with the relevant Rules made thereunder, setting out the material facts and reasons, in respect of Item Nos. 5 to 7 of this Notice of AGM ('Notice'), is annexed herewith.

2. The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020,General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 02/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022 and other applicable circulars issued by Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and Securities Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIRJP/2021/11 dated January 15, 2021 Circular No. SEBI/HO/CFD/CMD2/CIRIP/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/4 dated January 3, 2023 issued by Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") has permitted the holding of the AGMs through Video Conferencing ("VC")/ Other Audio-Visual means ("OAVM"), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 read with the relevant Rules made thereunder ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

3. The Company has appointed National Securities Depository Limited ('NSDL') to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM. The procedure for participating in the meeting through VC/ OAVM, forms part of this Notice.

4. Since the AGM is being held through VC/ OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available, as provided in the MCA Circulars and SEBI Circulars and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The attachment of the route map for the AGM venue is also dispensed with.

## DISPATCH OF INTEGRATED REPORT & NOTICE AND REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF INTEGRATED REPORT & NOTICE

5. In accordance with the MCA Circulars read with the SEBI Circular:

   a. Notice of the AGM along with the Integrated Report for the Financial Year 2022-23 is being sent in electronic mode only to the Members whose email addresses are registered with the Company/ Depository Participants ('DPs')/ Depository/ Registrar. Members are requested to verify/ update their details such as email address, mobile number etc. with their DPs, in case the shares are held in electronic form, and with KFin Technologies Limited ('KFin'), Registrar and Share Transfer Agent of the Company, in case the shares are held in physical form.

   b. Those Members who have not yet registered their email addresses and consequently, have not received the Notice and the Integrated Report, are requested to get their email addresses and mobile numbers registered with KFin, by following the guidelines mentioned below.

   **Guidelines to register email address:**

   i. The Members holding shares in physical mode are hereby notified that in terms of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite Form ISR-1 along with the supporting documents. Form ISR-1 is available on the website of KFin https://ris.kfintech.com/clientservices/isc/default.aspx and detailed FAQs on the same are also available on the website of KFin: https://ris.kfintech.com/faq.html.

   ii. For updating the email ids and mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

   iii. The Company through NSDL will send the Notice, Integrated Report, and the e-voting instructions along with the User ID and Password to the email address given by the Members.

iv. In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll-free number 1800 309 4001.

v. In order to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) permanently for sending the Annual Reports, Notice of General Meetings and other shareholders' communications.

vi. In case of queries with respect to the aforesaid process, members are requested to write to einward.ris@KFintech.com or call at the toll free number 1800 309 4001.

6. The notice of AGM along with Integrated Report will be sent to those members/ beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on Friday, August 04, 2023.

7. The Notice and the Integrated Report have also been uploaded on the website of the Company (www.industowers.com), NSDL (www.evoting.nsdl.com), National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com), in compliance with the MCA Circulars.

## E-VOTING AND PARTICIPATION IN THE AGM THROUGH VC/ OAVM

8. The Company is providing VC/ OAVM facility to its members for joining/participating at the AGM. Members may join the AGM through Desktop/ Laptop/ Smartphone/ Tablet. Further, Members are requested to use internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective cellular network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

9. Members who do not have the User ID and Password for joining the meeting or have forgotten the User ID and Password, may retrieve the same by following the remote e-voting instructions that forms part of this Notice.

10. The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM. All the shareholders including large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are encouraged to attend the AGM.

11. To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of Speaker Registration. Members who would like to express their views or ask questions during the AGM may register themselves by sending request mentioning their name, demat account / folio number, email id, mobile number through their registered email to the Company at compliance.officer@industowers.com from 9:00 A.M. (IST), August 21, 2023 and till 6:00 P.M. (IST) on August 25, 2023 or register themselves by logging on to NSDL Website and clicking on the 'Speaker Registration' option available on the screen after log in, between August 28, 2023 to August 29, 2023. Those members who are registered as Speaker will be allowed to express their views or ask questions at the AGM.

12. Members can submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM by sending an e-mail to the Company at compliance.officer@industowers.com mentioning their name, DP ID/ Client ID/ Folio number on or before Friday, August 25, 2023. At the AGM, such questions will be replied by the Company suitably. The Company reserves the right to restrict the number of questions and speakers, depending upon the availability of time, for smooth conduct of the AGM.

13. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company viz. www.industowers.com.

15. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 (in relation to e-Voting Facility provided by listed entities), the Company is pleased to provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

16. The Company has engaged the services of NSDL as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting). The instructions for e-voting are given below:

    a. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants (DPs) in order to increase the efficiency of the voting process.

b. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

17. The Members attending the AGM who have not cast their vote by remote e-voting, shall be entitled to vote at AGM through e-voting system.

18. The members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM. The members who have cast their vote by remote e-voting may also attend the AGM but will not be able to vote again during the AGM.

19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

20. The remote e-voting facility will be available during the following period:

| | |
|---|---|
| Commencement of remote e-voting | From 9.00 a.m. (IST) on Monday, August 28, 2023 |
| End of remote e-voting | Upto 5.00 p.m. (IST) on Wednesday, August 30, 2023 |

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

21. The voting rights of Members for e-voting shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as at close of business hours on Thursday, August 24, 2023 ('cut-off date').

22. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/ e-voting at AGM. The person who is not a member/ beneficial owner as on the cut-off date should treat this Notice for information purpose only.

23. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become member of the Company after the Notice is dispatched and holding shares as of the cut-off date, i.e. August 24, 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/ she is already registered with NSDL for remote e-voting, then he/ she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. August 24, 2023, may follow steps mentioned in Note no. 24 of this Notice.

24. Members are requested to carefully read the below instructions in connection with remote e-voting and procedure for joining the AGM.

## Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.<br><br> |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. |

| Type of shareholders | Login Method |
|---|---|
| | 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "**Login**" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "**Initial password**" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

A. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to support@corp-nexus.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

B. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

A. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance.officer@industowers.com.

B. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliance.officer@industowers.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

C. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

D. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**General guidelines for e-voting & joining the AGM**

A. Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting at the AGM through e-voting facility.

   In view of the above, Body corporates/ Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorized representative(s) to attend the AGM through VC and to cast their votes through remote e-voting/ e-voting at the AGM. In this regard, such shareholders are required to send a latest certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorizing their representative(s) to attend the meeting and vote on their behalf through e-voting. The said resolution/ letter/ power of attorney shall be sent through registered e-mail ID to the Scrutinizer at support@corp-nexus.com with a copy marked to evoting@nsdl.co.in.

   Alternatively, they can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-voting" tab in their login.

B. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the password. In such an event, you will need to go through the “Forgot User Details / Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com to reset the password.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022-48867000 and 022-24997000 or send an email to Ms Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in.

25. The Board of Directors has appointed Mr. Harish Chawla failing him Mr. Abhishek Lamba of M/s CL & Associates, Company Secretaries, New Delhi, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the same purpose.

26. The Scrutinizer, after scrutinizing the voting through e-voting at AGM and through remote e-voting shall, within 2 working days or 3 days, whichever is earlier from conclusion of the AGM, make a consolidated scrutinizer’s report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting. The Chairman or any person authorised by him in writing shall declare the results. The results declared shall be available on the website of the Company (www.industowers.com) and on the website of NSDL (https://www.evoting.nsdl.com/) and shall also be displayed on the notice board at the registered office and the corporate office of the Company. The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

## INSPECTION OF DOCUMENTS

27. All documents referred to in the Notice, will be available electronically for inspection, without any fee, by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such document(s) can send an email to compliance.officer@industowers.com.

28. The Register of Directors & Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all the documents referred to in the Notice and explanatory statement, including certificate from the Secretarial Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for electronic inspection by the members during the AGM.

## IEPF RELATED INFORMATION

29. Members wishing to claim dividends due to them which has remained unclaimed or unpaid are requested to contact KFin.

30. 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. Further, the shares on which dividend remains unpaid/ unclaimed for seven consecutive years or more are also required to be transferred to IEPF. Members may visit the Company's website www.industowers.com for tracking the details of unclaimed/ unpaid amounts, pending transfer to IEPF. Members may note that they can claim their unclaimed/ unpaid interim dividend for the financial year 2015-16 till September 14, 2023 by following the procedure specified on the Company's website at https://www.industowers.com/cps-portal/web/shares.html. Once the above-mentioned dividend amounts and shares are transferred to IEPF, no claim shall lie in respect thereof with the Company. The Members may claim the same by making an online application to the IEPF Authority in Form IEPF-5 available on the website of the Company and IEPF i.e. www.industowers.com and www.iepf.gov.in.

## MISCELLANEOUS INFORMATION

31. Disclosure/ Information regarding particulars of the Directors being appointed/ re-appointed at this AGM, in terms of the applicable provisions of Secretarial Standard 2 and Listing Regulations, are annexed hereto.

32. As per Regulation 40 of Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or KFin for assistance in this regard.

33. Members who are holding shares in physical form are requested to address all correspondence concerning registration of transmissions, sub-division, consolidation of shares or any other share related matters and/ or change in address or updation thereof to KFin. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.

34. Non-resident Indian shareholders are requested to inform about the following to the Company or KFin or the concerned DP, as the case may be, immediately of:

    a. The change in the residential status on return to India for permanent settlement;

    b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.

35. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed form duly filled in to KFin. The Nomination Form in the prescribed format is available on the website of the Company at www.industowers.com.

36. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to KFin.

37. Members who are holding shares in physical form in identical names in more than one folio are requested to write to KFin enclosing their share certificates to consolidate their holding into one folio.

**Important instructions for shareholders holding shares in physical form.**

38. SEBI, vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655, dated 3rd November, 2021, clarification vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687, dated 14th December, 2021, circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 and circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated 16th March, 2023 has simplified the process for servicing investor requests. Accordingly, the companies shall process the following service requests viz. issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition in dematerialised form only. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

As per the SEBI Circular, the Company/ RTA can entertain service request of shareholders holding the shares in physical mode only upon the provision of PAN, KYC details and nomination information. Any folios for which PAN, KYC and nomination details are missing on or after October 1, 2023, shall be frozen and will be ineligible for lodging a grievance/service request. Such folios will also be ineligible for receipt of any payment, including dividends, through the physical mode.

Folios remaining frozen till December 31, 2025 will be referred by the RTA/ the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

Members are requested to submit their above listed service requests in duly executed prescribed forms with requisite proofs as listed in the forms, to the Company's RTA, KFin Technologies Limited, Unit: Indus Towers Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Alternatively, e-signed service requests can also be sent by email to einward.ris@kfintech.com from registered email ID.

| Form | Particulars |
|---|---|
| ISR 1 | Request for registering PAN, KYC details or changes/updating thereof |
| ISR 2 | Confirmation of signature of the securities holder by the banker |
| ISR 3 | Declaration form for holders of physical securities in listed companies to opt out of nomination |
| ISR 4 | Request for issue of Duplicate Certificate and other Service Requests |
| ISR 5 | Request for Transmission of Securities by Nominee or Legal Heir |
| SH-13 | Nomination form |
| SH-14 | Cancellation or variation of Nomination |

The aforesaid forms are available on the website of the Company at www.industowers.com

# EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

## Item Nos. 5 to 7

**To approve the Material Related Party Transaction(s) with Bharti Airtel Limited, Bharti Hexacom Limited and Vodafone Idea Limited**

### Background

Indus Towers Limited ("the **Company**") is in the business of providing tower and related passive infrastructure to various telecom service providers on a non-exclusive and on non-discriminatory basis under long term service contracts.

The telecom industry in India has undergone a significant consolidation, witnessing a reduction in the number of telecom operators from 14-15 at its peak to 5 operators today. Currently, Bharti Airtel Limited ("**Bharti Airtel**") together with Bharti Hexacom Limited ("**Bharti Hexacom**"), Vodafone Idea Limited ("**VIL**") and Reliance Jio Infocomm Limited are the major private telecom operators in India.

Bharti Airtel together with Bharti Hexacom and VIL are key customers of the company, contributing 80-85 % of the total revenue of the company.

Under the provisions of the Companies Act, 2013 ("the **Companies Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **SEBI Listing Regulations**"), these customers are categorized as "related parties" for the Company. Accordingly, the transactions of the Company with its major customers are covered under the definition of 'related party transactions'. Members may note that these transactions are purely operational in nature. They are an integral part of the business model of the Company and are essential to secure continuity and smooth functioning of its business operations.

The estimated value of the contract(s)/ arrangement(s)/ transaction(s) with Bharti Airtel, Bharti Hexacom and VIL, exceeds/ may exceed the threshold prescribed for material Related Party Transactions within the meaning of Regulation 23(1) of the SEBI Listing Regulations i.e. lower of either INR 1000 Crore (Rupees One Thousand Crore) or 10% (ten per cent) of the annual consolidated turnover of the Company, as per the last audited financial statements.

The Company has entered into long-term arrangements i.e. Master Service Agreements ("**MSA**") with the telecom operators including its major customers i.e. Bharti Airtel, Bharti Hexacom and VIL for rendering passive infrastructure services including but not limited to, project management or of provisioning, establishing, installation, operation and maintenance thereof, on a non-exclusive and non-discriminatory basis (Detailed terms of such arrangements are given subsequently in this section). The Company also avails services including telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. on arm's length basis from these related parties.

Members may importantly note that the Company has been undertaking such operational transactions of a similar nature with the aforesaid related parties in the past financial years with requisite approval(s) of the Audit & Risk Management Committee and the members of the Company, as applicable. The members of the Company have approved these transactions from time to time including as a part of scheme of amalgamation and arrangement between the Company and erstwhile Indus Towers which became effective on November 19, 2020 and no related party voted to approve the transactions.

However, in view of the SEBI circular no. SEBI/ HO/CFD/CMD1/CIR/P/2022/47 dated April 08, 2022, as a matter of prudence, it is now proposed to additionally seek the approval of members for material related party transactions with Bhati Airtel, Bharti Hexacom and VIL for a period commencing from the date of this 17th AGM upto the date of 18th AGM to be held in calendar year 2024 subject to the maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard.

***Broad terms of the Agreement***

*The MSAs set out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance service, corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the service level agreements applicable with respect to obligations under the MSA. The arrangement also prescribes the tower sharing process, site access, acquisition and deployment timelines, the service levels and uptime to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, various site levels, premiums and additional charges determined basis the installed active equipment of the Company etc.*

*The MSAs require individual tenancy contract to be executed for each passive infrastructure site taken by the telecom operator generally for a period between 5-10 years, the terms of which vary depending on the locations, type of site, number of existing operators, and contain lock in periods for ensuring continuity.*

*The overall monetary value of the transaction depends upon the number of sites provided, site location, number of colocations etc. and varies from time to time. There is no minimum or maximum commitment in terms of colocations as the operators have the flexibility to discontinue the services under the contract in accordance with the terms of the MSA.*

*Further, the overall monetary value of the telecom services availed from the telecom operators including related parties depends upon the number / volume of services availed and the applicable rates of such services at the relevant time.*

For the purpose of these approvals, the maximum annual value of the transactions with the aforesaid related parties is estimated on the basis of the Company's current transactions with them and future business projections.

Further, the proposed transactions shall not, in any manner, be detrimental to the interest of minority shareholders and be in the best interest of the Company and its shareholders.

**Details of the Related Party Transaction including the information required to be disclosed pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIRP/2023/120 dated July 11, 2023 are as follows:**

*A. Rationale why the said transations (RPTs) are in the best interest of the Company and its Members*

***1. Core business of the Company***

*The genesis for incorporation of the Company was to promote sharing of passive infrastructure by the telecom operators. The fundamental nature of the business is to deploy passive infrastructure and leverage it by housing multiple operators for long periods. The Company earns rental income from its investments through long-term contracts. The telecom operators benefit from saving capital investment, reducing operating expenses through sharing the infrastructure and focusing on their core business and strengthening their network coverage.*

*Providing passive infrastructure services is the only segment of the business operations of the Company.*

***2. Limited number of customers***

*Given the limited number of telecom operators, it becomes inevitable for the Company to engage in transactions with its key customers, who also qualify as related parties.*

***3. Long-term arrangements to ensure sustained revenue and secure the large investments made by the Company***

*Deployment of passive infrastructure is capital intensive with a long payback period. To secure our investments, we enter long-term contracts with our customers with an option provided to them to terminate the contract, subject to certain conditions and upon payment of exit charges.*

*To generate return on our investments and create value for our stakeholders, it is imperative that we continue with these long- term recurring transactions with our customers. Any discontinuation of these operational transactions by the Company will not be commercially viable.*

*Further, the said long- term arrangements with customers can continue to yield returns for the shareholders of the Company beyond the payback period with renewal of these contracts.*

***4. Growth opportunities for the Company***

*The Company, through its expertise in the passive infrastructure space, provides the telecom operators with best-in-class services in terms of infrastructure sharing, speed and quality of site acquisition for faster rollouts, and high uptime. Availability of such synergies in the operating processes helps the telecom operators in providing improved quality of services and maintaining consistent high service standards across the businesses and in return, the Company remains a preferred partner to its key customers.*

*Deployment of 5G infrastructure and rollout of 5G services have been progressing rapidly. One of our major customers, who is also a related party of the Company, has expressed its plan for accelerated rollouts to expand its network and continue with its network densification. The rapid evolution of telecom landscape and the expansion plans of the telecom operators present a great opportunity to us for accelerated growth and contributing to India's digital transformation.*

***5. Non – discriminatory Business model***

*We operate our business on a non-discriminatory basis, treating all our customers equally thereby eliminating any conflict of interest.*

***6. Environmental benefits***

*With more and more operators sharing our infrastructure, we reduce the need for duplication of infrastructure and promote optimum utilization of resources thereby contributing positively to the environment. In collaboration with our customers, we also undertake several energy efficient and green initiatives.*

***7. Essential infrastructure***

*The aforesaid transactions are not just in the best interest of the Company and its shareholders but also hold significance in serving the broader public interest. Our infrastructure and services enable our customers who are the key telecom operators in India to provide essential and critical telecommunication services to the nation connecting millions of people and contributing towards the socio-economic development of the country.*

*With focus on digitization driven by progressive policies of the Government of India, telecommunication services have evolved into a necessity that extends beyond mere connectivity.*

## B. *Well defined governance process for all Related Parties Transactions*

*The Company has a well-defined governance process for related party transactions undertaken by the Company. Considering Company's business model and inherent structure of the telecom industry, we have put a stringent process in place to avoid conflict of interests, the highlights of which are as under:*

1) *The Board of Directors of the Company has approved a robust policy on Related Party Transactions.*
2) *To provide an opportunity for all our independent directors to express their views on significant matters including related party transactions, all the independent directors of the Company are members of the Audit & Risk Management Committee. The composition of the Committee is stricter than the statutory requirement. The Related Party Transactions are approved only by the independent directors. The Independent Committee members are provided with comprehensive details about the transaction, to enable the Committee take an informed decision.*
3) *For each related party transaction, the arms' length is certified from a leading independent global valuation/ accounting firm confirming that the proposed pricing mechanism for a particular transaction meets the arm's length criteria. The independent directors consider this certification and conduct a review before granting approval to any related party transaction.*
4) *The Audit & Risk Management Committee of the Company quarterly reviews the details of all related party transactions entered into by the Company during the respective quarter, pursuant to its approval.*
5) *The related party transactions are disclosed to the Stock Exchanges half-yearly as per the SEBI Listing Regulations.*

## C. Other Disclosures for Related Party Transactions

**Resolution No. 5 – Bharti Airtel Limited**

| Sl. No. | Particular | Details |
|---|---|---|
| 1. | Name of the related party | Bharti Airtel Limited ("Bharti Airtel") |
| 2. | Nature of relationship | Bharti Airtel is the Promoter of the Company holding 47.95% shareholding of the Company. |
| 3. | Name of Director(s) or Key Managerial Personnel who are related, if any | Mr. Rajan Bharti Mittal, Non-executive Director of the Company, is the brother of Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are the Directors of Bharti Airtel Limited.<br><br>Also, Mr. Gopal Vittal, Non-executive Director of the Company is the Managing Director & CEO of Bharti Airtel Limited and Mr. Pankaj Tewari, Non-executive Director of the Company is the Company Secretary of Bharti Airtel Limited. |
| 4. | Nature, material terms, of the contract or arrangement | **Nature of the contract/ arrangement:**<br>(a) rendering of service(s) including passive infrastructure services including but not limited to, project management or of provisioning, establishing, installation, operation and maintenance thereof;<br>(b) availing of service(s) including telecommunication services viz. landline, mobile, leased line broadband facility, SIM charges and USB Dongles etc;<br>(c) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's employees, infrastructure, related owned/ third party services and payment of taxes;<br>(d) purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s) including passive infrastructure assets to meet its business objectives/ requirements;<br>(e) selling or otherwise disposing of or leasing, or buying property(ies) to meet its business objectives/ requirements; and<br>(f) transfer of resources, services or obligations to meet its business objectives/ requirements.<br>Material terms of the arrangement/ agreement are provided in detail in the "Background" section above. |

<table>
<tr><th>Sl. No.</th><th>Particular</th><th>Details</th></tr>
<tr><td>5.</td><td>Nature of its concern or interest (financial or otherwise)</td><td>Financial – Bharti Airtel is the Promoter of the Company and holds 47.95% share capital of the Company.</td></tr>
<tr><td>6.</td><td>Value of the transactions for the year ended March 31, 2023</td><td>(Rs. in millions)<br><table><tr><th>Transaction(s)</th><th>FY 2022-23</th></tr><tr><td>Availing of services</td><td>90</td></tr><tr><td>Rendering of services*</td><td>144,632</td></tr><tr><td>Reimbursements of expenses made</td><td>36</td></tr><tr><td>Security Deposit Refunded</td><td>36</td></tr></table><br>*Including GST*</td></tr>
<tr><td>7.</td><td>Tenure and Monetary value and of the proposed transactions</td><td>The Members of the Company had earlier approved these transactions with Bharti Airtel Limited. However, pursuant to SEBI Circular dated April 8, 2022, the approval of the Members is sought again. The said approval of Members shall be valid for a period commencing from the date of this 17th AGM upto the date of 18th AGM to be held in calendar year 2024 subject to the maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard such that the aggregate value of the transactions with Bharti Airtel does not exceed Rs.17,000 Crore in any financial year.</td></tr>
<tr><td>8.</td><td>Any advance paid or received for the contract or arrangement, if any;</td><td>Nil</td></tr>
<tr><td>9.</td><td>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction</td><td>59.90% of the annual consolidated turnover of the Company for Financial Year 2022-23.<br>*Note: The percentage above is based on the consolidated turnover of FY 2022-23 and the actual percentage of annual value of RPTs shall depend upon consolidated turnover of the Company for the immediately preceding financial year*</td></tr>
<tr><td>10.</td><td>Justification as to why the RPT is in the interest of the listed entity</td><td>The proposed related party transactions, being purely operational in nature, have been an integral part of the business model of the Company and are essential to secure continuity and smooth functioning of its business operations. These transactions are undertaken on Arm's length basis and in the ordinary course of business of the Company.<br>Please refer ***point A*** above for detailed ***justification and rationale*** for these RPTs</td></tr>
<tr><td>11.</td><td>Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified to Audit & Risk Management Committee</td><td>Not Applicable</td></tr>
<tr><td>12.</td><td>Details of the valuation or other external party report on arm's length and ordinary course</td><td>The related party transaction(s)/ contract(s)/arrangement(s) mentioned in the said proposals being recurring are evaluated by a reputed external independent consulting firm from time to time and the firm has confirmed that the proposed terms of the contract/ agreement meet the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) are in ordinary course of business.</td></tr>
<tr><td>13.</td><td>Any other information that may be relevant</td><td>All relevant information forms a part of this Explanatory statement.</td></tr>
</table>

Resolution No. 6 – Bharti Hexacom Limited

| S. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the related party | Bharti Hexacom Limited |
| 2. | Nature of relationship | Bharti Hexacom is a subsidiary of Bharti Airtel, the Promoter of the Company. |
| 3. | Name of Director(s) or Key Managerial Personnel who are related, if any | None |
| 4. | Nature, material terms, of the contract or arrangement | **Nature of contract/ arrangement:**<br>(a) rendering of service(s) including passive infrastructure services including but not limited to, project management or of provisioning, establishing, installation, operation and maintenance thereof;<br>(b) availing of service(s) including telecommunication services viz. landline, mobile, leased line broadband facility, SIM charges and USB Dongles etc;<br>(c) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's employees, infrastructure, related owned/ third party services and payment of taxes;<br>(d) purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s) including passive infrastructure assets to meet its business objectives/ requirements;<br>(e) selling or otherwise disposing of or leasing, or buying property(ies) to meet its business objectives/ requirements; and<br>(f) transfer of resources, services or obligations to meet its business objectives/ requirements.<br>Material terms of the arrangement/ agreement are provided in detail in the "Background" section above. |
| 5. | Nature of its concern or interest (financial or otherwise) | Financial – Bharti Hexacom is a subsidiary of Bharti Airtel, the Promoter of the Company. |
| 6. | Value of the transactions for the year ended March 31, 2023 | (Rs. in millions)<br>**Transaction(s)** — **FY 2022-23**<br>Availing of services — 0.24<br>Rendering of services* — 10,747<br>**Including GST* |
| 7. | Tenure and Monetary value and of the proposed transactions | The Members of the Company had earlier approved these transactions with Bharti Hexacom Limited. However, pursuant to SEBI Circular dated April 8, 2022, the approval of the Members is sought again. The said approval of Members shall be valid for a period commencing from the date of this 17th AGM upto the date of 18th AGM to be held in calendar year 2024 subject to the maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard such that the aggregate value of the transactions with Bharti Hexacom does not exceed Rs. 1,200 Crore in any financial year. |
| 8. | Any advance paid or received for the contract or arrangement, if any; | Nil |
| 9. | The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction | 4.23% of the annual consolidated turnover of the Company for Financial Year 2022-23.<br>*Note: The percentage above is based on the consolidated turnover of FY 2022-23 and the actual percentage of annual value of RPTs shall depend upon consolidated turnover of the Company for the immediately preceding financial year* |

| S. No. | Particulars | Details |
|---|---|---|
| 10. | Justification as to why the RPT is in the interest of the listed entity | The proposed related party transactions, being purely operational in nature, have been an integral part of the business model of the Company and are essential to secure continuity and smooth functioning of its business operations. These transactions are undertaken on Arm's length basis and in the ordinary course of business of the Company.<br>Please refer ***point A*** above for detailed ***justification and rationale*** for these RPTs |
| 11. | Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified to Audit & Risk Management Committee | Not Applicable |
| 12. | Details of the valuation or other external party report on arm's length and ordinary course | The related party transaction(s) /contract(s)/arrangement(s) mentioned in the said proposals being recurring are evaluated by a reputed external independent consulting firm from time to time and the firm has confirmed that the proposed terms of the contract/agreement meet the arm's length testing criteria. The related party transaction(s)/contract(s) /arrangement(s) are in ordinary course of business. |
| 13. | Any other information that may be relevant | All relevant information forms a part of this Explanatory statement |

**Resolution No. 7 – Vodafone Idea Limited**

| S. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the related party | Vodafone Idea Limited |
| 2. | Nature of relationship | Vodafone Idea Limited is a Joint Venture of Vodafone Group entities, the Promoters of the Company. |
| 3. | Name of Director(s) or Key Managerial Personnel who are related, if any | Mr. Ravinder Takkar and Mr. Sunil Sood, Non-Executive Directors of the Company are also Non-Executive Directors on the Board of Vodafone Idea Limited. |
| 4. | Nature, material terms, of the contract or arrangement | **Nature of contract/ arrangement:**<br>(a) rendering of service(s) including passive infrastructure services including but not limited to, project management or of provisioning, establishing, installation, operation and maintenance thereof;<br>(b) availing of service(s) including telecommunication services viz. landline, mobile, leased line broadband facility, SIM charges and USB Dongles etc;<br>(c) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's employees, infrastructure, related owned/ third party services and payment of taxes;<br>(d) purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s) including passive infrastructure assets to meet its business objectives/ requirements;<br>(e) selling or otherwise disposing of or leasing, or buying property(ies) to meet its business objectives/ requirements; and<br>(f) transfer of resources, services or obligations to meet its business objectives/ requirements.<br>Material terms of the arrangement/ agreement are provided in detail in the "Background" section above. |
| 5. | Nature of its concern or interest (financial or otherwise) | Financial – Vodafone Idea Limited is a Joint Venture of Vodafone Group entities, the Promoters of the Company. |

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>6.</td><td>Value of the transactions for the year ended March 31, 2023</td><td>(Rs. in millions)<br><table><tr><th>Transaction(s)</th><th>FY 2022-23</th></tr><tr><td>Availing of services</td><td>21</td></tr><tr><td>Rendering of services*</td><td>116,729</td></tr><tr><td>Reimbursements of expenses made</td><td>21</td></tr><tr><td>Security Deposit Received</td><td>4</td></tr><tr><td>Security Deposit Refunded</td><td>95</td></tr></table>* Including GST</td></tr>
<tr><td>7.</td><td>Tenure and Monetary value and of the proposed transactions</td><td>The Members of the Company had earlier approved these transactions with Vodafone Idea Limited. However, pursuant to SEBI Circular dated April 8, 2022, the approval of the Members is sought again. The said approval of Members shall be valid for a period commencing from the date of this 17th AGM upto the date of 18th AGM to be held in calendar year 2024 subject to the maximum period of fifteen months or for any such higher period as may be allowed by SEBI in this regard such that the aggregate value of the transactions with Vodafone Idea Limited does not exceed Rs. 14,000 Crore in any financial year.</td></tr>
<tr><td>8.</td><td>Any advance paid or received for the contract or arrangement, if any;</td><td>Nil</td></tr>
<tr><td>9.</td><td>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction</td><td>49.33% of the annual consolidated turnover of the Company for Financial Year 2022-23.<br>Note: The percentage above is based on the consolidated turnover of FY 2022-23 and the actual percentage of annual value of RPTs shall depend upon consolidated turnover of the Company for the immediately preceding financial year</td></tr>
<tr><td>10.</td><td>Justification as to why the RPT is in the interest of the listed entity</td><td>The proposed related party transactions are purely operational/ integral part of Company's operations given the nature of telecommunication industry and are undertaken on Arm's length basis and in the ordinary course of business of the Company. These transactions are critical and in the best interest of the Company.<br>Please refer Section A above for detailed justification and rationale for these RPTs.</td></tr>
<tr><td>11.</td><td>Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified to Audit & Risk Management Committee</td><td>Not Applicable</td></tr>
<tr><td>12.</td><td>Details of the valuation or other external party report on arm's length and ordinary course</td><td>The related party transaction(s) /contract(s)/arrangement(s) mentioned in the said proposals being recurring are evaluated by a reputed external independent consulting firm from time to time and the firm has confirmed that the proposed terms of the contract/agreement meet the arm's length testing criteria. The related party transaction(s)/contract(s) /arrangement(s) are in ordinary course of business.</td></tr>
<tr><td>13.</td><td>Any other information that may be relevant</td><td>VIL is one of our key customers. Our business transactions with them are strategically important to us and in the long-term business interest of the Company in order to maintain a healthy tenancy ratio and sustained revenues.<br>Considering the challenges faced by VIL, we are conscious of our receivable's situation and continue to engage with them to resolve the receivable's situation in a mutually beneficial manner from time to time. In February 2022 we restructured the security package provided by Vodafone Promoters to reduce the outstanding amount from VIL. Currently we are collecting close to our average monthly invoice amount from them.<br>The Government's decision to convert the interest dues of the said customer into equity is a positive step and is expected to help ease the financial burden of VIL.</td></tr>
</table>

The Related Party Transaction(s) are reviewed/ monitored on a quarterly basis by the Audit & Risk Management Committee of the Company and shall remain within the proposed limits as placed before the members. Any subsequent 'Material Modification' in the Related Party Transactions, as defined by the Audit & Risk Management Committee as a part of Company's Policy on Related Party Transactions', shall be placed before the members for approval, in terms of Regulation 23(4) of the SEBI Listing Regulations.

The Board of Directors of the Company, on August 7, 2023, on the approval and recommendation of the Audit & Risk Management Committee and subject to approval of the members, recommended the above proposals such that the maximum value of the Related Party Transaction(s) with a particular related party in any financial year does not exceed the amounts as proposed aforesaid in the respective resolutions. The proposed transactions shall not, in any manner, be detrimental to the interest of minority shareholders and be in the best interest of the Company and its shareholders.

All the documents as referred to in this explanatory statement and the accompanying Notice will be made available to the members through request being sent to the Company on the email given under the Notice.

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve the item nos. 5 to 7, whether the entity is a related party to the particular transaction or not.

Accordingly, the Board of Directors of your Company, based on the recommendations of the Audit & Risk Management Committee recommends the resolutions as set out in item nos. 5 to 7 of the Notice for approval of the Members as **Ordinary Resolutions**.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except as detailed in this statement and to the extent of their equity holding in the Company and/or common directorships, if any.

## Information of Directors seeking appointment at the forthcoming AGM pursuant to the provisions of Listing Regulations and Companies Act, 2013 including Secretarial Standard - 2 as on the date of the Notice

| | |
|---|---|
| **Name** | **Mr. Harjeet Singh Kohli** |
| **DIN** | 07575784 |
| **Date of Birth** | November 04,1973 |
| **Age** | 49 Years |
| **Original date of appointment** | w.e.f. conclusion of the Board meeting dated November 19, 2020 |
| **Qualifications** | MBA, Faculty of Management Studies, University of Delhi and Mechanical Engineer from Delhi College of Engineering, University of Delhi |
| **Experience and expertise in specific functional area** | Finance and General Management |
| **Terms and conditions of re-appointment and remuneration** | As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report) |
| **Remuneration last drawn** | As mentioned in the Corporate Governance Report |
| **No. of Board Meetings attended during the year** | |
| **Shareholding in Indus Towers Limited including shareholding as a beneficial owner** | Nil |
| **Relationship with other Directors, Managers and Other Key Managerial Personnel** | Nil |
| **Directorships held in other Indian Companies including equity listed Companies** | 1. Bharti Enterprises Limited<br>2. Delmonte Foods Private Ltd (Formerly known as Fieldfresh Foods Private Limited)<br>3. Del Monte Foods India (North) Private Limited (Formerly Field Fresh Foods (North Private Limited)<br>4. Bharti Axa Life Insurance Company Limited<br>5. Bharti Realty Limited<br>6. Bharti Land Limited<br>7. Bharti Real Estates Limited<br>8. Rostrum Realty Private Limited<br>9. Airtel Payments Bank Limited<br>10. Nxtra Data Limited |
| **Membership/Chairmanship of committees in other Indian Companies** | **1. Bharti Axa Life Insurance Company Limited**<br>• Board Investment Committee- Chairman<br>• Risk Management Committee- Member<br>**2. Bharti Realty Limited**<br>• Nomination and Remuneration Committee- Member<br>• Corporate Social Responsibility Committee- Member<br>• Audit Committee- Member<br>**3. Bharti Enterprises Limited**<br>• Corporate Social Responsibility Committee- Chairman<br>**4. Nxtra Data Limited**<br>• Nomination and Remuneration Committee- Member<br>• Corporate Social Responsibility Committee- Member<br>• Audit Committee- Chairman<br>• Committee of Directors- Chairman<br>**5. Airtel Payments Bank Limited**<br>• Audit Committee- Member<br>**6. Bharti Land Limited**<br>• Corporate Social Responsibility Committee- Chairman |
| **Equity listed entities from which the person has resigned as Director in past three years** | None |

| | |
|---|---|
| **Name** | **Mr. Randeep Singh Sekhon** |
| **DIN** | 08306391 |
| **Date of Birth** | July 04, 1969 |
| **Age** | 54 years |
| **Original date of appointment** | w.e.f. conclusion of the Board meeting dated November 19, 2020 |
| **Qualifications** | Bachelor of Engineering |
| **Experience and expertise in specific functional area** | Information Technology and General Management |
| **Terms and conditions of re-appointment and remuneration** | As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report) |
| **Remuneration last drawn** | As mentioned in the Corporate Governance Report |
| **No. of Board Meetings attended during the year** | |
| **Shareholding in Indus Towers Limited including shareholding as a beneficial owner** | Nil |
| **Relationship with other Directors, Managers and Other Key Managerial Personnel** | Nil |
| **Directorships held in other Indian Companies including equity listed Companies** | Firefly Networks Limited |
| **Membership/Chairmanship of committees in other Indian Companies** | |
| **Equity listed entities from which the person has resigned as Director in past three years** | None |

| | |
|---|---|
| **Name** | **Mr. Ravinder Takkar** |
| **DIN** | 01719511 |
| **Date of Birth** | July 05, 1968 |
| **Age** | 55 years |
| **Original date of appointment** | w.e.f. conclusion of the Board meeting dated November 19, 2020 |
| **Qualifications** | Bachelor of Science in Computer Science Engineering, Loyola Marymount University, USA |
| **Experience and expertise in specific functional area** | Operations and General Management |
| **Terms and conditions of re-appointment and remuneration** | As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report) |
| **Remuneration last drawn** | As mentioned in the Corporate Governance Report |
| **No. of Board Meetings attended during the year** | |
| **Shareholding in Indus Towers Limited including shareholding as a beneficial owner** | Nil |
| **Relationship with other Directors, Managers and Other Key Managerial Personnel** | Nil |
| **Directorships held in other Indian Companies including equity listed Companies** | 1. Vodafone Idea Limited<br>2. Cable and Wireless Global (India) Private Limited |
| **Membership/Chairmanship of committees in other Indian Companies** | **1. Vodafone Idea Limited**<br>• Stakeholders Relationship Committee- Member<br>• Corporate Social responsibility Committee- Member<br>• Finance Committee- Member<br>• Capital Raising Committee- Member<br>**2. Cable & Wireless Global (India) Private Limited**<br>• Corporate Social Responsibility Committee- Member |
| **Equity listed entities from which the person has resigned as Director in past three years** | Indus Towers Limited<br>(amalgamated with Company effective November 19, 2020) |

**Indus Towers Limited**

**Integrated Report & Annual Accounts 2022-23**

# Sustainable pathway to a connected future

# Contents

## Integrated Report



## Management Reports



## Financial Statements

### Consolidated Financial Statements



### Standalone Financial Statements



# Corporate Information

## Board of Directors

**Mr. N Kumar**
Chairman
Independent Director

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

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

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

**Mr. Prachur Sah**
Managing Director & CEO

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

**Mr. Ramesh Abhishek**
Non-Executive Independent Director

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

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

**Mr. Pankaj Tewari**
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

# 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 includes a report on our financial performance as well.

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

You can also find this report online: www.industowers.com/investor/result/

Scan above QR code to see this report online

**Indus Towers is actively participating in the global telecom industry's collective endeavors to address climate change by pledging to achieve net-zero greenhouse gas emissions by 2050, aligning with the Science-Based Targets initiative (SBTi).**

**N Kumar**
Chairman

## 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 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 and establishing industry best practices.

## Reporting Scope

The Annual Integrated Report covers information on the 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 (MD&A), 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 and as notified by the Ministry of Corporate Affairs.

## Reporting Period

The Annual Integrated Report considers the primary reporting period as April 01, 2022 to March 31, 2023. There is the inclusion of facts and figures from 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 are reported as per applicable law, regulations and standards of India.

## 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 organization and its stakeholders, and communicates the organization's ability to pursue prospects and mitigate risk.

## Assurance

To ensure the integrity of the non-financial numbers presented in the Integrated Report for the FY23, a Limited Assurance Statement on key performance indicators ('KPIs') which have been assured by TUV SUD South Asia Private Limited, is available on our website at www.industowers.com.

## GRI Content Index

GRI content index mapping for the Integrated Report is provided on the website of the Company at www.industowers.com.

## 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.

## Key Company Information

**Indus Towers Limited**

CIN L64201HR2006PLC073821
BSE Code 534816
NSE Code INDUSTOWER
Listing Date December 28, 2012

# Sustainable pathway to a connected future

India is one of the fastest-digitizing economies in the world. A digital economy ushers in more opportunities, transparency and efficiency, that empower individuals, communities and the nation as a whole.

At Indus Towers, we are facilitating a digitally connected future for all. Along with our customers, we are committed to connecting the unconnected in remote and underserved areas, thereby transforming lives, fostering socio-economic development, and creating a more inclusive and equitable digital future. As a leading passive infrastructure Company, we are playing a pivotal role in bridging the digital divide.

With our relentless initiatives to sustain our leadership position, we have made substantial investments in creating an extensive, robust and resilient infrastructure that serves as the backbone for seamless network connectivity. We remain steadfast in our commitment towards facilitating the rollouts by the operators. Given our leadership position and expertise in deploying passive infrastructure, we remain a preferred partner for our customers, and we will continue to provide them with innovative and sustainable solutions, thus creating value for our customers and all other stakeholders.

The rapid rollout of 5G services across India marks an exciting phase in our journey. We played an instrumental role in deploying the necessary infrastructure to support the widespread adoption of 5G technology. India is one of the fastest countries to roll out high-speed connectivity. With the Government's focus on digital transformation and the efforts being put in to make that vision a reality, India is poised to embrace 5G technology and unlock its potential for economic growth, innovation, and societal development. The fast migration to 5G, supplemented by strong data consumption, should continue to fuel the demand for passive digital infrastructure both in the form of loading on existing towers and installing new towers, and we remain well-positioned to cater to this demand.

Our operational performance during the year is a testament to our strengths as a leading player in the TowerCo industry. While our financial performance reflected stress on our collections, our business fundamentals remains strong and the improvement in collections at the end of year was reassuring. Expanding coverage in the rural market and the ongoing fast-paced 5G rollout make us optimistic about the demand outlook in the near to medium term.

While our focus remains unwavering on improving our business performance, sustainability remains at the core of all that we do. As a responsible corporate citizen, we recognize that addressing the environmental and social challenges is a responsibility and an opportunity to create long-term value for our stakeholders and make a meaningful impact. ESG remains a key component of our long-term strategy, spearheading our actions towards sustainable growth.

**Our two-pronged approach of enabling digital inclusion in partnership with our customers and focusing on environmental responsibility, people and community empowerment and robust governance will pave the way for a**

## sustainable and connected future.

# Raising the Bar Every Step of the Way

## Operational highlights in FY23

**192,874**
Total tower base

**342,831**
Total Co-locations base*

**6,918**
Lean Co-locations

**Pan India Presence**
(28 States and 8 UTs)

**1.78**
Closing sharing factor

**99.96%**
Uptime in FY23

Renewed
**>95%**
of the expiring co-locations under MSA (about one-third of the portfolio)

* Excluding Lean Co-locations

## Financial highlights in FY23

**₹283.8 billion**
Gross revenue

**CRISIL & ICRA AA+/ Stable (Reaffirmed)**
Credit rating (Long Term Rating)

**34.4%**
EBIDTA Margin

**0.22 Times**
Debt: Equity

**₹598,382 million**
Cumulative Investment

# Enabling India's Digital Future

Indus Towers is India's leading provider of passive telecom infrastructure and it deploys, owns and manages telecom towers and communication structures, for various telecom service providers.

At Indus Towers, we play a pivotal role in driving India's march towards digitalization by enabling connectivity in every part of India.

Our portfolio of **1,92,874** telecom towers makes us one of the largest tower infrastructure providers in the country with a presence in all **22** telecom circles. We are at the forefront of innovation in our sector, driving smart digital infrastructure in India from the grassroots. We continue to be the pioneers when it comes to enabling Smart Cities through our innovative solutions for smart telecom infrastructure.

Sustainability is one of the core pillars of our success. We are consistently striving for innovative and green energy solutions to increase our operational efficiency.

## Mission

We transform lives through Sustainable Digital Infrastructure and Services

## Vision

Strive for Customer Delight through continuous Innovation


## Values

### Excellence

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

### Customer

Be the preferred partner for our customers by delivering the 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.

# Embedding Sustainability at Our Core

ESG is not just a peripheral consideration for us; it is an integral part of our decision-making and business strategy. We recognize that sustainable practices, social impact, and responsible governance are not only morally imperative but also critical for long-term success and value creation.

Our ESG agenda and strategy are driven from the top with our Board providing adequate oversight on the ESG priorities, the ESG Committee guiding our actions and the senior leadership demonstrating a clear commitment to sustainability and responsible business practices.

During the year we have further augmented our ESG agenda to turn our ambitions into actions. ESG is featured as one of the key pillars of our strategy. Based on the outcome of a comprehensive materiality assessment we have developed a robust ESG strategy for the Company, prioritizing the focus areas under E, S and G. Aligned with our purpose, values and stakeholder expectations, we have established medium to long-term ESG commitments. To deliver on these commitments, we have set measurable internal and external targets and developed a roadmap to achieve them. To manage and monitor our progress better, we have also undertaken a base lining activity for our material issues and key targets.

We are taking proactive steps to encourage and engage our people in our ESG journey. This will foster a sense of ownership, inculcate a mindset of sustainability and multiply the positive impact of our actions.

We will continue to take a holistic and integrated approach that incorporates ESG considerations into all aspects of our business, including strategy, decision-making, risk management and performance evaluation.

As we move forward in this journey, we will embrace a culture of continuous improvement and learning. We aspire to collaborate with industry partners and other stakeholders to share best practices and innovations that will advance the ESG efforts. We believe that collaborations can drive systematic change and address ESG challenges.

**“Our inherently inclusive business model fosters co-creation of value for all stakeholders. We strive for customer satisfaction through continuous innovation, guided by the principles of exemplary governance, community strengthening, and environmental accountability. With our commitment to decarbonise our business operations, we have joined the race to net-zero by 2050. We aspire to not only be the industry leader, but to take the industry forward with our ESG commitment.”**

# We are **Committed** Towards a **Sustainable Future**

E

## ENVIRONMENT

- Net Zero by 2050
- Expand Renewable Energy Portfolio
- Zero Waste


S

## SOCIAL

- Diversity and Inclusion across the value chain
- Zero Harm
- Positively impact communities

G

## GOVERNANCE

- Leadership in our compliance and disclosure practices

## Making 'Zero' Count

We believe that setting ambitious goals is crucial for addressing the environmental and social challenges our world is facing today. Ambitious goals will encourage us to think progressively and deliver innovative solutions thereby creating a meaningful and lasting change for a sustainable future.

With this ambition and embracing the concept of 'Zero' as a positive force for change, we have launched a campaign, 'Zero Goal Hai'.

### 'Zero Goal Hai'

(meaning - zero is the target) is a conscious word play to celebrate 'zero' as a matter of pride - zero emissions, zero harm, zero waste, zero bias, and zero tolerance to non-compliance, as we transform lives through sustainable digital infrastructure and services.


#### Zero Emissions

Our endeavor is to decarbonize our business operations to combat climate change and protect future generations. We will achieve this through multiple interventions including optimisation of fuel consumption, implementation of alternate green energy solutions across business operations and adoption of energy efficient infrastructure and processes.

#### Zero Waste

We are committed to transition to a circular economy through 100% waste reduction, reuse and recycling. This will be achieved through resource efficiency, product longevity, restoration initiatives, complete elimination of landfills and return of material to the system.

#### Zero Harm

For us, ensuring the safety of our people and stakeholders is non-negotiable and we are committed to fostering a culture of Zero Harm.

#### Zero Bias

We believe that embracing a diverse workforce enhances our competitive advantage. We aim to increase our gender diversity by five times in the coming years. Our practices of non-discriminatory remuneration, capability-based role assignment and equal growth opportunity are manifestation of our pledge of being an equal opportunity employer and fostering a culture of Zero Bias.

#### Zero Tolerance to Non-compliance

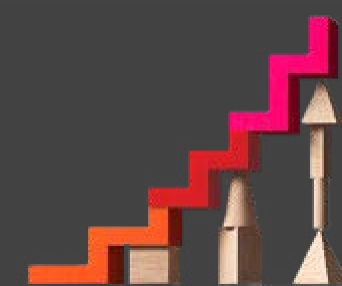
Our value creation and stakeholder trust are built on our integrity, transparency, business conduct and upholding the highest ethical standards. We take cognizance of the changing business environment and growing need of both voluntary and mandatory disclosures and compliances. We have a robust system in place to monitor compliances and have a policy of zero tolerance to non-compliance.

### Instilling ESG Culture

- Finalized our **ESG strategy and** established **strong monitoring and governance mechanism**
- Made our ESG commitments and set clear and measurable internal targets
- **Launched ESG Fest**
  13th March – 31st March, 2023
  - Total Employee participation:849
  - Unique Employee participation: 66%
  - Total Rewarded Employees: 300
  - ESG best practice sharing - 177 practices received. Top practices will be replicated across Indus
  - ESG Idea Factory – Focus on Out of box thinking: 225 ideas received
  - Engagement with families through activities and initaitives to spread awareness
  - ESG quiz- Brain teasing on basics of ESG
- **Launched ESG level 1 training certification course** to enhance ESG awareness and foster a responsible workforce - **86% certified** till June 30, 2023
- **ESG-linked remuneration** – ESG is a key metric in Company performance implying variable pay for all employees has a linkage to ESG parameters
- Updated our Code of Conduct to specifically include ESG areas
- Launched a separate Code of Conduct for business partners to promote sustainability across value chain
- Continued our engagement with stakeholders through various means and modes to meet their expectations and address concerns

### Progressing in our journey

- We have been recognized among India's top 40 most sustainable companies by Business World
- Achieved 3rd rank in the telecom category in India at the World Sustainability Conclave by Business World
- DJSI and MSCI increased our scores and ratings.



# Message from Chairman

**₹283.8 billion**

Revenue ↑ 2.4% YoY

**9.85 million**

Lives touched

**Dear Shareholders,**

## India's dynamic and resilient economy is among the fastest-growing major economies, globally.

The Government's commitment towards digitalization has transformed the behavioral trends of individuals and businesses, driving efficiency and accessibility. The telecom sector acts as a backbone, facilitating connectivity and enabling the seamless integration of digital platforms. This in turn fosters economic growth, enhances governance, and promotes the private sector as a key partner in India's development trajectory.

The role of telecommunication is recognized worldwide as a powerful tool of socio- economic development. In fact, it is one of the key elements of the Sustainable Development Goals (SDGs) of the United Nations' Agenda for Sustainable Development for 2030. In addition, the telecom sector plays a crucial role in empowering various other sectors, bridging the digital divide, and therefore contributing to India's economic progress.

The telecom industry in India has fortified its position as the second largest in the world, with a subscriber base of 1.17 billion as of March 2023. By March 2023, the number of broadband subscribers in India reached 847 million, with India's internet user base being amongst the largest in the world. The data consumption story in the nation also continues to play out well, with the average monthly data traffic per user growing at a 5-year CAGR of 19% to 19.5 GB in December 2022.

This growth in data consumption is also expected to be supplemented by the rollout of 5G services. The auction of spectrum for 5G in July-August saw active participation from the TSPs, with the acquisition of a total of 51,226 MHz of spectrum across bands, out of a total of 72,098 MHz put up for auction.



Subsequently, the operators' 5G rollouts, which began in October 2022, have been progressing at a rapid pace. India is poised to record one of the fastest 5G rollouts in the world as the operators are planning a pan India rollout by the end of March 2024.

At Indus, the loading of 5G equipment on our towers, has started to add to our revenues and should increase. We expect the 5G opportunity to continue to build in the form of requirement of additional sites as the penetration of 5G services increases. Additionally, there is a substantial opportunity for us, given the gap in the existing network of operators. One of our major customers is adding a large number of sites to bridge this gap, especially in rural areas, and we expect this momentum to continue in the near term. The rising data consumption requires additional capacity resulting in the need for network densification. This presents itself as an opportunity for Indus in terms of building more sites.

The Government continues to do its part to simplify and accelerate the deployment of telecom infrastructure in the country. The launch of GatiShakti Sanchar portal has eased the Right of Way (RoW) application process through a single window. This significantly eases the site acquisition process and leads to a much faster creation of 5G infrastructure in the country. The Government is also working with cross sectors such as National Highway Authority of India, Ministry of Road Transport and Highways, Indian Railways to align their RoW policy with the central notified policy for faster utilization of land and building available with them. Indian Railways have amended their policy and allowed IP1 infrastructure players to deploy telecom infrastructure on their land/ property. The amended RoW rules now also allow licensees to deploy telecom infrastructure over a private property without requiring approval from the concerned Government authority.

Indus Towers is fostering connectivity across India's remotest regions, having installed hundreds of towers in difficult terrains. These include four new mobile towers at Kashmir's Gurez Valley located at an altitude of 8,460 feet and 6 towers along the Kedarnath Trek in Rudraprayag, one of the most popular pilgrimages in India. The towers in Rudraprayag enable communication from Gaurikund to Kedarnath Temple at an altitude of 12,000 ft in Uttarakhand. Enabling connectivity in these regions benefits residents, businesses, students, tourists.

Earlier this year, a transition of leadership took place at Indus Towers. Mr. Prachur Sah assumed the role of Managing Director and CEO in January 2023, succeeding Mr. Bimal Dayal. I am delighted to share that the transition has been smooth, ensuring a seamless continuity of operations. Under Prachur's leadership, Indus Towers is poised for continued growth.

In terms of financial performance, gross revenue grew 2.4% year-on-year to ₹283.8 billion. Within that, our core revenues declined 1.0% year-on-year to ₹174.3 billion. During the year, we adopted a stringent Expected Credit Loss (ECL) computation relating to one of our major customers in order to de-risk our balance sheet. As a result, we had a negative impact of ₹53.8 billion from provision for doubtful debts. Adjusted for this and other non-recurring items, gross revenue and core revenues were up 2.1% and 2.0% year-on-year, respectively. On a reported basis, EBITDA declined by 34.6% to ₹97.7 billion and profit after tax declined by 68.0% to ₹20.4 billion. Again, adjusted for one offs and provisions, EBITDA and profit after tax were up by 0.5% and down by 0.6% year-on-year, respectively. The collections from the said customer remained stressed although we saw an improvement in the last quarter of the financial year. We remain in active discussions to improve the same and continue to monitor the situation closely.

Being a leading corporate entity in India, Indus Towers is serious about its Corporate Social Responsibility initiatives. We are pleased to have touched 9.85 million lives through our CSR projects and programs. Amongst our newer initiatives, the SmartAgri Project is transforming conventional agricultural practices across 35 districts in various states. Indus also installed 20 Digital Health Kiosks in Lucknow, Uttar Pradesh. Each kiosk can check for over 60 invasive and non-invasive health parameters instantly, followed immediately by telemedicine and assessments.

Indus Towers is actively participating in the global telecom industry's collective endeavors to address climate change by pledging to achieve net-zero greenhouse gas emissions by 2050, aligning with the Science-Based Targets initiative (SBTi). Demonstrating our commitment to sustainability, the Company has set medium- to long-term ESG commitments across three fundamental pillars– Environmental Stewardship, Social Responsibility, and Robust Governance.

In conclusion, with 5G initiative growing, Indus Towers is focused towards facilitating the adoption and implementation of this and contributing to India's digital transformation. Accelerated rollouts by our customers to expand their network and the continued network densification present a substantial opportunity for Indus. We are well placed to capitalise on this opportunity and remain committed to adding value for our shareholders, employees, and the communities we serve.

Lastly, I would like to extend my heartfelt gratitude to all out stakeholders for their firm support and trust in our company. Our continued partnership is vital to our success, and we remain committed to creating value.

Regards,

**N Kumar**
Chairman

# Message from Managing Director & CEO

**12,539**

**Co-locations (including lean) added**

**99.96%**

**Network Uptime 99.95% in FY 2021-22**

**Dear Shareholders,**

**I am pleased to share that FY 2022-23 was an eventful year and included important developments for both the telecom sector and Indus Towers.**

The Government's continued efforts to facilitate the nationwide deployment of telecom infrastructure have had a positive impact on our industry. For Indus Towers, the renewal of a large part of our portfolio with the major customers was a big achievement given its criticality to long term sustainability of our business.

Since joining the Company in January, I have been impressed by the speed of 5G rollouts and our improved performance in the last quarter of the financial year. It gives me great pride to share the progress we have made on our strategic priorities including sustainability. I would like to elaborate on the key areas further.

In terms of operational performance, we recorded net additions of 7,427 macro towers and 7,040 corresponding co-locations, and we closed the year at 192,874 macro towers and 342,831 co-locations. Though our tenancy ratio dipped marginally from 1.81 to 1.78, it continues to be industry leading. Besides macro towers, we added 5,199 co-locations on lean towers in FY 2023. Our net co-location additions including lean totaled 12,539 in FY 2023. I am happy to report that Q4 FY 2023 had one of the highest tower additions in the history of Indus Towers.

We have made strides across our strategic priorities - market share, cost efficiency, uptime and sustainability. On market share, we have revisited our internal processes with the focus on improving the time to market for our products, which has been one of the major asks from our customers. The simplification of these processes and targeted actions have helped us improve the deployment process and delivery timelines which resulted in an increase in our share in the business of our customers in Q4 FY 2023.

Furthermore, we have been actively optimizing our capital and operating expenses, particularly in the area of energy costs. We have undertaken multiple initiatives with a focus on diesel reduction and expansion of renewable energy portfolio, wherein we are building solar sites alongside adopting other greener technologies. In addition, operational initiatives for energy cost optimization have reduced our diesel consumption despite an increase in load. We have signed an MOU to run a pilot for Aluminum-Air technology for generation of clean energy, which shall be helpful especially in areas with limited electricity availability. For capex efficiency, we are looking at standardization of tower design, supply chain efficiencies and implementing new age technological interventions to improve equipment lifecycle.

In terms of network management, we achieved a network uptime of 99.96% despite adverse climatic events during the year. These challenges included prolonged floods in Assam, cyclone ASANI in Andhra Pradesh, Tamil Nadu, Karnataka as well as heavy rains witnessed in North-East region, Uttar Pradesh and Rajasthan. Despite these circumstances, our commitment to provide reliable connectivity remained unwavering.

As part of our digital transformation, we implemented multiple digital solutions to cater to emerging business needs. These solutions have resulted in reduced cycle times for faster rollouts, enhanced safety through increased compliance, and improved maintenance quality. In our digital journey going ahead, we are introducing solutions for system enhancement (through self-healing automation capabilities), AI-based chatbots for real time support and analytics, IoT based infrastructure assessment, drone-based inspections, and augmented reality based preventive maintenance. We are also working across the value chain to further optimize cycle times and continue to simplify and standardize our systems.

By supporting our customers' network expansion activities, we have successfully enabled connectivity in challenging and remote locations. Thanks to the unwavering commitment and remarkable efforts of our field force.

Now, moving on to sustainability, which is a significant aspect of our business. We committed to net-zero greenhouse gas (GHG) emissions by 2050 in line with climate science with the SBTi. Our campaign "Zero Goal Hai" cleverly highlights our pride in striving towards achieving zero emissions, zero waste, zero harm, zero bias, and zero tolerance for non-compliance. We will continue to share our progress enroute to reaching our target of net zero GHG emissions. The initiatives mentioned above, aimed at reducing diesel consumption, enables us to achieve both cost efficiency and emission reduction simultaneously.

In terms of social impact, we are revising our CSR strategy and arranging our initiatives within two Flagship Programs of "Saksham" (focusing on education, girl child empowerment, skill development and digital/creative literacy) and "Pragati" (focusing on local community needs and disaster relief & rehabilitation), which enables us to have a more focused approach as we scale up our existing initiatives. Our CSR activities touched the lives of 9.85 million people directly or indirectly during the year. In the year FY 2023, we were able to make significant contributions in the fields of health, education and agriculture.

We continue to strive towards having a diverse workforce and ensuring the highest safety standards. We improved our gender diversity from 5.8% in FY 2022 to 6.3% in FY 2023 and aspire to increase it five times from the current levels. Safety awareness programs have led to a 50% reduction in total recordable work-related incidents, and innovative initiatives like Family Connect have actively involved family members in promoting safe behaviors among our technicians. Multiple initiatives on road safety resulted in a 37% reduction in road accidents.

We have also been dedicated to employee well-being and have been awarded the Gallup Exceptional Workplace Award for the 10th consecutive year and we scored 4.64 out of 5 on the employee engagement index. We foster a culture of appreciation which is demonstrated through regular rewards and recognition across levels and functions.

Our other achievements include being awarded the CII-WAREX Warehouse Excellence and Certification. We received titanium rating for 7 of our warehouses and Platinum rating for one warehouse, the only Indian company to have this distinction as confirmed by CII.

The telecom sector in India is set to experience even more growth thanks to the regulatory measures implemented by the Indian Government. One notable example is the GatiShakti Sanchar Portal which will greatly simplify the installation of digital infrastructure. The changes to RoW rules imply that it is not mandatory for telecom companies to seek Government's approval for installing telecom infrastructure on private property. In addition, telecom operators can now deploy their equipment on street infrastructure. These new rules will result in the swift expansion of telecom infrastructure and the widespread availability of 5G connectivity throughout the country.

Demand for data remains unabated and is expected to soar by the end of this decade. According to Ericsson, the average Indian individual will consume an estimated 54 gigabytes of data per month by 2028, up from 25 gigabytes in 2022. Ericsson also predicts that most data traffic will flow over 5G networks by 2028, driven by the adoption of new technologies.

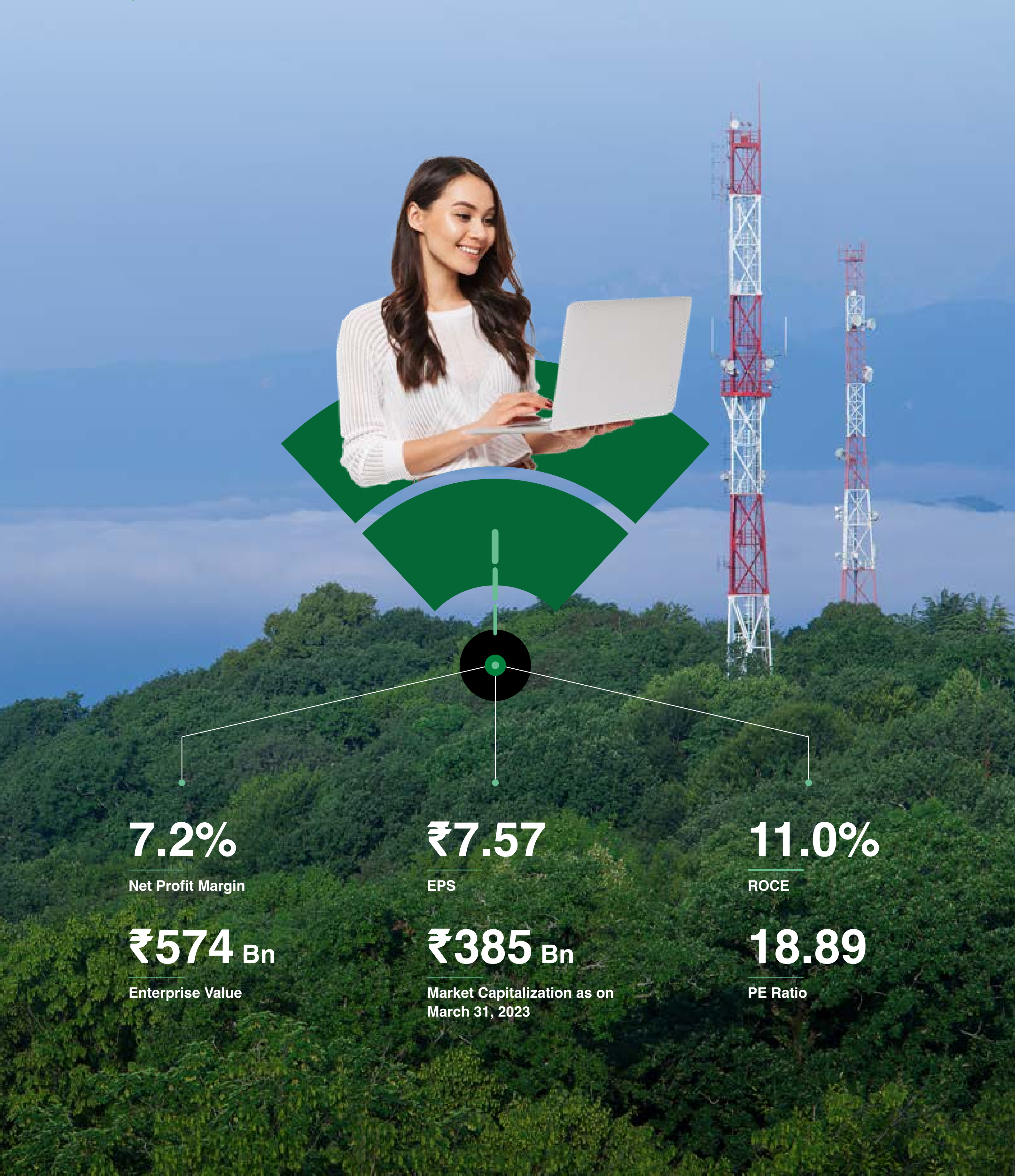
Looking specifically at 5G, 2022 was a pivotal year for the Indian telecom industry. The 5G spectrum auction brought in a substantial revenue of about ₹1.5 lakh Crores for the Indian Government, with more than 50 GHz spectrum being sold. The two largest operators in India acquired most of the spectrum and have since rolled out 5G networks at warp speed. The operators have already launched 5G networks in over 500 cities and have plans to complete the urban coverage in India by September 2023. As a result, the extensive expansion of 5G networks across India presents a tremendous opportunity for Indus Towers, and we are well-positioned to build on it.

Looking ahead, we are optimistic about the future of the passive telecom infrastructure in India. The increasing demand for data and the emergence of new technologies, such as Industry 4.0, will require constant capacity addition and be heavily reliant on 5G connectivity. As such, we see a great opportunity for Indus Towers to play a pivotal role in enabling this connectivity.

In conclusion, I am confident that we are well positioned to continue our growth and success in the telecom sector. We remain committed to our strategic priorities and are excited about future possibilities. Thank you for your continued support.

Regards,

**Prachur Sah**
Managing Director & CEO






# Performance Review

| Particulars | Units | Full Year Ended | | | | |
|---|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | 2022 | 2023 |
| **Consolidated Operating Highlights** | | | | | | |
| Total Towers[5] | Nos | 163,934 | 169,002 | 179,225 | 185,447 | 192,874 |
| Total Co-locations[5] | Nos | 305,824 | 311,111 | 322,438 | 335,791 | 342,831 |
| Average Sharing factor | Times | 2.06 | 1,85 | 1.82 | 1.80 | 1.79 |
| Closing Sharing factor | Times | 1.87 | 1,84 | 1.80 | 1,81 | 1.78 |
| Sharing Revenue per Tower per month | ₹ | 75,740 | 78,855 | 78,345 | 80,467 | 76,379 |
| Sharing Revenue per Sharing Operator per month | ₹ | 36,150 | 41,647 | 42,357 | 44,264 | 42,580 |
| **Financials** | | | | | | |
| Revenue[1] | ₹ Mn | 252,929 | 255,624 | 256,729 | 277,172 | 283,818 |
| EBITDA[1] | ₹ Mn | 100,902 | 127,239 | 132,575 | 149,429 | 97,670 |
| EBIT[1] | ₹ Mn | 61,704 | 73,158 | 77,575 | 95,755 | 43,447 |
| Finance Cost (Net) | ₹ Mn | 1,619 | 11,953 | 14,021 | 14,973 | 14,539 |
| Profit before Tax | ₹ Mn | 62,652 | 63,982 | 66,537 | 84,307 | 27,593 |
| Profit after Tax | ₹ Mn | 40,720 | 50,270 | 49,751 | 63,731 | 20,400 |
| Capex | ₹ Mn | 30,107 | 31,764 | 35,868 | 29,287 | 41,210 |
| -of Which Maintenance & General Corporate Capex | ₹ Mn | 6,814 | 7,848 | 7,181 | 7,987 | 8,623 |
| Operating Free Cash Flow[1] | ₹ Mn | 70,119 | 70,653 | 71,240 | 91,620 | 26,182 |
| Adjusted Fund from Operations (AFFO)[1] | ₹ Mn | 94,088 | 94,570 | 99,927 | 112,920 | 58,769 |
| Total Capital Employed | ₹ Mn | 222,389 | 348,855 | 351,671 | 392,442 | 399,964 |
| Net Debt (Net Cash) with Lease Liabilities | ₹ Mn | 42,242 | 171,774 | 192,901 | 170,937 | 188,869 |
| Net Debt (Net Cash) without Lease Liabilities | ₹ Mn | 42,242 | 42,499 | 58,782 | 28,545 | 44,146 |
| Shareholder's Equity | ₹ Mn | 180,147 | 177,081 | 158,770 | 221,505 | 211,095 |
| **Key Ratios** | | | | | | |
| EBITDA Margin[1] | % | 39.9% | 49.8% | 51.6% | 53.9% | 34.4% |
| EBIT Margin[1] | % | 24.4% | 28.6% | 30.2% | 34.5% | 15.3% |
| Net Profit Margin[1] | % | 16.1% | 19.7% | 19.4% | 23.0% | 7.2% |
| Net Debt / (Net Cash) with Lease Liabilities to EBITDA (LTM)[3] | Times | 0.42 | 1.35 | 1.46 | 1.14 | 1.93 |
| Interest Coverage ratio (LTM)[3] | Times | 15.38 | 10.64 | 9.46 | 9.98 | 6.72 |
| Return on Capital Employed Pre-Tax (LTM)[3] | % | 27.9% | 21.9% | 22.1% | 25.7% | 11.0% |
| Return on Shareholder's Equity Pre-Tax (LTM)[3] | % | 32.0% | 37,6% | 39.6% | 44.3% | 12.8% |
| Return on Shareholder's Equity Post-tax (LTM)[3] | % | 20.8% | 29.6% | 29.6% | 33.5% | 9.4% |
| **Valuation Indicators** | | | | | | |
| Market Capitalization[4] | ₹ Bn | 845 | 431 | 660 | 598 | 385 |
| Enterprise Value[4] | ₹ Bn | 887 | 603 | 853 | 769 | 574 |
| EV EBITDA[3&4] | Times | 8.79 | 4.74 | 6.44 | 5.15 | 5.88 |
| EPS (Diluted) [4] | ₹ | 15.11 | 18.65 | 18.46 | 23.66 | 7.57 |
| PE Ratio[4] | Times | 20.74 | 8.58 | 13.27 | 9.39 | 18.89 |

1. Revenue, EBITDA, EBIT, operating free cash flow and Adjusted Fund from Operations (AFFO) exclude 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 results 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 definitions 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 the 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. 1st 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.
6. Numbers prior to FY 2021 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 with 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 results prior to FY 2022. Hence, the results include the combined operation of Infratel and erstwhile Indus online by line basis and line by line consolidation for its subsidiary and the controlled trust.

# Value Creation Approach

As a responsible business, we continue to strengthen our business model with an integrated capital approach, giving due emphasis to both financial and non-financial aspects of our performance during the reporting year.

## Input

### Financial Capital

Investment made to create a strong financial buffer with significant operating profits that will benefit all stakeholders.

- Total Shareholders Capital: **₹26949 Mn**
- CAPEX: **₹41,210 Mn**
- OPEX: **₹ 26,484 Mn** without energy*
- Debt-Equity Ratio: **0.22 Times**

*Adjusted for provision for doubtful debt

### Manufactured Capital

Prudently managing our capital investments to build a portfolio of assets that add value to our customers' lives.

- Number of Towers: **192,874**
- No of Colocations: **342,831**
- Pan India Locations - 36 (28 States and 8 UTs)

### Human Capital

To accomplish shared values, we strive to establish an agile, inspiring, and collaborative workforce.

- Total no of Employees: **3,249**
- Employee Engagement Initiatives: **60+** Well-being programs
- Defined career paths for Employees
- Employee Benefit Expenses: **₹7,741 Mn**

### Social and Relationship Capital

Developing meaningful relationships, cultivating collaborations, providing social and economic value, and acting ethically to serve the community.

- Number of Shareholders: **258,000+**
- Total Spent on CSR Activities: **₹915 Mn**
- Total Suppliers: **2,600+**
- Landlord Relations: **276,450+**

### Intellectual Capital

To continuously innovate and adapt to new product development.

- SOPs Created and Refreshed: **573**
- Average Experience of Board: **34+ years**
- Average Experience of Leadership: **25+ years**

### Natural Capital

Pursuing sustainable growth with minimum environmental impact

- Indoor Sites converted to Outdoor Sites: **1,300+ sites**
- Sites equipped with Solar Infrastructure: **1,496 sites**
- Capex on energy efficiency: **₹1,191 Mn**
- More than **99%** of Sites Electrified (Non-EB)

## Operating Business Model

### Operating Business Model

**Vision**

Strive for customer delight through continuous innovation

**Mission**

We transform lives through sustainable digital infrastructure and services

Acquire | Build | Own | Operate and maintain tower and related infrastructure

**Business processes**

Site Identification → Deployment of Site → Infrastructure Sharing → Sustainable Revenue Model → Margin Accretive

**Business strategies**

1. Promote tower sharing
2. Achieve cost efficiencies across tower portfolios
3. Nurture a culture of sustainability
4. Increase revenue and capital productivity
5. Capitalize on opportunities from data growth, network gap, digital India and 5G roll out

### Our offerings

**Products and Services**

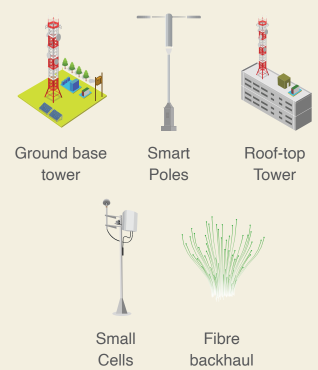
**Tower** - For mounting the Operator Antennae at an appropriate height

**Power** - For providing uninterrupted energy supply to Telecom equipment

**Space** - For housing Telecom and Power equipment ncluding greener energy solutions

**Smart Cities** - For enabling customer growth with future-ready locations

**Our offerings**




## Output

### Financial Capital

- Revenue from Operations: **₹283,818 Mn**
- Operating Free Cash Flow: **₹26,182 Mn**
- EBITDA: **₹97,670 Mn**

PAT: **₹20,400 Mn**

RoCE: **11.0%**

### Manufactured Capital

- Uptime: **99.96%**
- Increasing **cost efficiency** for Telecom Operators
- Closing Sharing Factor: **1.78 times**

### Human Capital

- Employee Engagement Score: **4.64**
- Total Attrition Rate: **19.6%**
- Total Man Hours of Training: **133,797 hours**
- Gender Diversity Ratio: **6.3%** and committed to increase

### Social and Relationship Capital

- Lives touched through CSR Activities: **9.8 million**
- Contribution to Exchequer: **₹764,843 Mn**
- Return on Equity: **9.4%**
- Partner Satisfaction Index: **8.2** out of 10
- Landlord satisfaction: **93%**

### Intellectual Capital

- Ideas from Indus Idea Incubator: 2,920
- Ideas Approved: 1,952
- Replications Closed: 188
- ISO Certifications: 27001:2022 and 27017:2015
- Introduced 14 new products and 2 new energy solutions

### Natural Capital

- Reduction in Consumption of Diesel: **5.80%**
- Scope 1 and 2 GHG emissions: **6.4 Mn tCO2e**, 8% YoY reduction
- Reduction in carbon intensity (Scope 1& 2): **~13%** per tower
- Recycling of battery and e-waste: **100%**

## Outcome

- Growing revenue
- Generation of value for stakeholders

- Lower cost for customers through tower sharing
- Uninterrupted service to customers with a high uptime
- Preferred partner given pan India network
- Continuous tower and co-location additions

- Talent attraction and retention
- Safe, non-discriminatory and healthy inclusive workplace
- Professional and personal growth opportunities
- Continuous learning and development opportunities
- Improved productivity

- Deliver service to customers' expectations
- Contribution to local communities through quality education and digital literacy
- Business continuity through cohesive relationship with landlords
- Seamless transactions with stakeholders through automated solutions
- Enhanced disclosures enabling investors for informed decision making

- Innovative mechanism and processes to provide cost effective solutions to our customers
- Technology-powered applications, seamless information flow and real-time decision making
- Automation of operational services
- Robust data security and controls

- Deployment of environment friendly energy solutions
- Reduced dependence on fossil fuels
- Better waste management

## SDG Mapping

8 | 12 | 3, 5 | 3, 4, 6 | 9, 11 | 7, 13

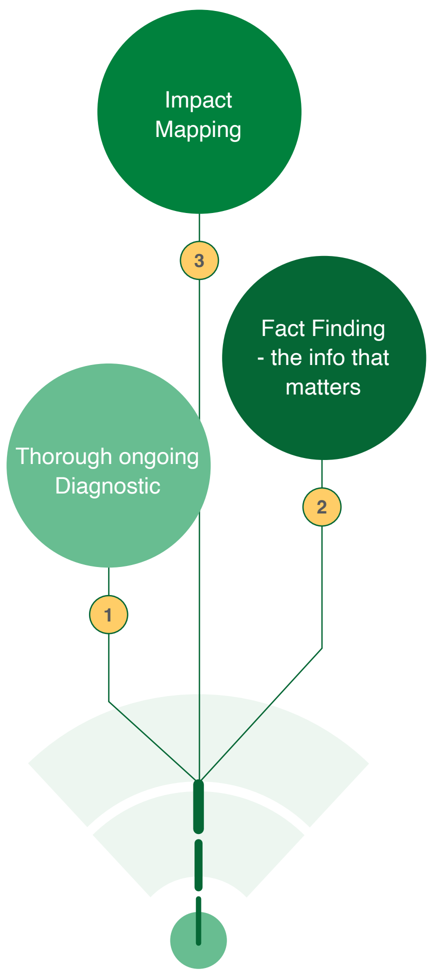
# Our Valued Stakeholders

We believe in inclusive progress, which considers the expectations and concerns of all stakeholders, essentially balancing growth aspirations with a commitment to sustainability.

| Stakeholders |  Customers |  Employees |  Govt. and Regulatory Bodies |  Community |  Shareholders and Investors |  Partners |
|---|---|---|---|---|---|---|
| **Why are these stakeholders important?** | Our consumers are the backbone of our long-term business viability and success. Customer satisfaction stays at the heart of everything we do. We, in turn, are essential to their business because they rely heavily on our services to achieve a fast time-to-market for their products. | Our employees are precious assets and essential to the organization's long-term prosperity. They are critical to increasing our competitiveness and reaffirming our market leadership. | Building positive relationships with the Government is vital to our Company's survival.<br>We closely track regulatory developments and policies, allowing us to participate in forward-thinking debates. | Empowering the lives of individuals in and around our operations remains critical to our Company's long-term viability. With numerous upliftment projects and activities, we continue to develop our relationships with the communities. | Investors are fundamental to our existence. They provide us with the capital through which the business runs, and we strive to provide them with long-term value. | We collaborate with our suppliers and landlords to create an effective and efficient procurement and site acquisition process for seamless business operations.<br>Our partners are members of the community who help with site upkeep and maintenance. |
| **Material Issues** | • Operational efficiency<br>• Privacy and security<br>• Network uptime | • Workplace safety<br>• Workplace environment | • Transparent business practices<br>• Ethical code of conduct<br>• Credit rating | • Socio-economic responsibilities<br>• Social inclusion and diversity | • Capital allocation<br>• Credit rating<br>• Governance | • Brand reputation<br>• Ethical and transparent business practices<br>• Supply chain management |
| **Expectations** | • Excellent service<br>• Innovation and sustainable solutions<br>• Operational digitization with the adoption of new technologies<br>• Initiatives for safety measures | • Performance-based reward mechanism<br>• Timely payment of remuneration<br>• Professional advancement<br>• Equal opportunity and treatment | • Proper disclosure of business information<br>• Compliance with industry norms, laws and regulations<br>• Generation of employment<br>• Participating in various industry forums and meets | • Uplifting the society at large<br>• Environment-friendly practices | • Growth in RoE<br>• Growth in dividend and EPS<br>• Strong balance sheet and effective risk management<br>• Clear disclosure methods to allow people to make informed investment decisions | • Timely payment<br>• Fair trade practices |
| **Engagement Activities** | • Annual surveys to assess customer satisfaction<br>• Regular meetings<br>• Interactions through emails | • Regular updates through internal communication<br>• Employee engagement initiatives<br>• Training and development programs<br>• Employee satisfaction survey | • Submission of quarterly, half-yearly, and annual compliance reports<br>• Frequent meetings on any major events or reforms affecting the industry<br>• Direct interaction with regional authorities | • Identification of social concerns and needs for social development<br>• Partnership with NGOs involved in providing support to beneficiaries<br>• Recycling initiatives<br>• Initiatives to reduce our environmental footprint | • Investor meetings<br>• Conferences<br>• Annual and quarterly reports • Annual general meeting<br>• Website updates<br>• Stock exchange releases | • Supplier audits and visits<br>• Annual partner meetings<br>• Constant involvement via textual media (email) as well as workshops<br>• Business partners survey<br>• Real-time update on 'Supplier Portal' |
| **Capitals Involved** | Relationship Capital<br>Financial Capital | Human Capital | Relationship Capital | Social Capital<br>Relationship Capital | Relationship Capital<br>Financial Capital | Relationship Capital<br>Manufactured Capital |

# Evaluating Material Aspects of the Business

Materiality assessment is a fundamental aspect of sustainability, serving as the foundation for identifying strategic focus areas, establishing appropriate objectives and key performance indicators (KPIs), and creating a framework for internal and external communication. By conducting a thorough materiality analysis, we strengthen our stakeholder relationships and gain valuable insights into stakeholder expectations, priorities, and the ESG issues that have the most significant impact on our operations.




Our 3-Step Approach

**During Financial Year 2021-22, we undertook a detailed materiality assessment. A comprehensive evaluation of our methodology employed for assessing material concerns comprises the following:**

### Identification of pertinent ESG topics

This stage involved consultations with internal stakeholders, peer review and benchmarking, sector analysis, media reports, and secondary sources to gather a comprehensive range of sustainability issues. These topics were further scrutinised and assessed for strategic consideration. Compliance with essential aspects of various standards and frameworks was also ensured.

### Elaboration of stakeholder engagement approach

We disseminated in-depth questionnaires to identified stakeholder groups, which encompassed external stakeholders such as customers, shareholders and vendors/suppliers, as well as internal stakeholders, including employees and the management team. For other stakeholders, desktop research was conducted to incorporate their priorities.

### Data acquisition

Online surveys were used to collect data and information from stakeholders to prioritise the identified ESG topics. Varied responses were obtained to comprehend the full spectrum of potential issues. The questionnaires were designed with the aim of eliciting key concerns, risks, and opportunities from the perspective of stakeholders and subsequently mapping these to material issues. In conjunction with the survey, in-depth dialogues with a select group of stakeholders were held to acquire a comprehensive understanding of their primary apprehensions.

### Consultations with the management team, ESG Committee and the Board

The findings of the aforementioned exercises were discussed with the Board, ESG Committee and the management team to determine the principal focus areas, taking into account their relevance to stakeholders and the overall business operations, as well as their impact on sustainable development. ESG Strategy of the Company and targets are decided based on the outcome of assessment.

## Key Material Issues


| High | Medium | Low |
|---|---|---|
| 1. GHG Emissions | 7. Network Reliability | 12. Water Management |
| 2. People Practices | 8. Risk Management | 13. Data & Cyber Security* |
| 3. Health and Safety | 9. Transparency | |
| 4. Governance | 10. Sustainable Sourcing | |
| 5. Technology and Innovation | 11. Waste Management | |
| 6. Regulatory Environment | | |

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

### Environment

**GHG Emissions**
- GHG Emissions
- Energy management
- Opportunities in Clean Tech

**Waste Management**

**Water Management**

### Social

**People Practices**

Labour Practices

Human CapitalDevelopment

**Health & Safety**

**Technology and Innovation**

### Governance

**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

# Governance

At Indus Towers, we recognize that good Corporate Governance is critical for building and sustaining a successful business. Our commitment to effective Corporate Governance practices is rooted in our values, guiding all our stakeholder interactions.

Our focus on long-term value creation drives us to uphold the highest standards of governance, and we constantly evaluate ourselves against global best practices to ensure that we remain at the forefront of responsible business conduct.

## Governance Pillars

1. Robust Governance Structure
2. Strong Monitoring Mechanism
3. Code of Conduct
4. Compliances and Disclosures
5. Risk Management Framework
6. Corporate Policies and Governance Framework

### 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, which 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 imbibing customer centricity and a culture of integrity in the Company.



**Board of Directors**

**Board Committees**
- Audit & Risk Management Committee
- HR, Nomination & Remuneration Committee
- CSR Committee
- Stakeholders' Relationship Committee
- ESG Committee

**Managing Director and CEO**

**Management Committee**

**Circle CEOs**

**Risk Management Steering Committee**

## ESG Governance Structure

**Board of Directors**
Provides oversight and helps set strategic priorities

**ESG Committee (Board Committee)**
Guides to set goals, targets and monitor performance

**ESG Council (Management Committee Members)**
Responsible to set and achieve goals and targets

**Cross-Functional Working Group**
Responsible for the implementation of initiatives to achieve the targets

**Working Team**
Drive the implementation across the organization

### 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' interests 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 the Board review the effectiveness of the internal control system across the Company.

## Advancing Board Governance Standards

### Independent Chair

Following the merger, an independent chair leads the Board.

### Distinct roles of Chairman and Managing Director & CEO to unleash synergies and maximizing leadership potential

Since 2008, the roles of Chairman of the Board and Managing Director & CEO have been held by distinct individuals, and since 2014, the Company has had a non-promoter Chairman.

### Minimum four meetings of independent directors each year against 1 meeting mandated under the law

Our independent directors convene to independently assess agenda matters and key issues before the full Board convenes, ensuring an impartial viewpoint.

### Driving Board Diversity

Our Board currently comprises two women independent directors.

### Independent Chair for each Board Committee

**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, and independent business partners apart from our employees and the Board.

We have fair mechanisms to report any grievances by employees and 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 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 training 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, and map potential risks and prioritize relevant actions to mitigate them.

We consider risk management and internal controls monitoring critical to effective corporate governance and the 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 establishes 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 of 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 relationships, building trust and transparency and establishing business practices and standards.

**Some of the major policies at Indus Towers Limited include**

- Code of Conduct for Board and Senior Management
- Whistle Blower Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Familiarization Program for Independent Directors
- Policy of Related Party Transactions
- Dividend Distribution Policy
- Policy for Determination and Disclosure of Material Events
- Policy on Material Subsidiaries
- Corporate Social Responsibility (CSR) Policy
- Environment, Safety & Health Policy
- Policy for preservation and archival of documents and records
- Policy on Nomination, Remuneration and Board Diversity
- Code of Conduct
- Taxation Policy

**Conflict of Interest**

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 an 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 for 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 interest.

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

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.

Read more about our Governance practices in the Risk Management section on page 32, Materiality and Stakeholder Engagement on page 24, and Report on Corporate Governance on page 241.

**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 and Company developments.
- We are the early movers of adopting Integrated Reporting as per framework prescribed by International Integrated Reporting Council (IIRC)

# Risk Management

Our risk identification and mitigation framework covers major economic, environmental, social, and governance risks that may impact our decision-making and influence our ability to create long-term value for our stakeholders. At Indus Towers, we implement appropriate risk-mitigation measures to navigate the ebbs and flows of our dynamic operating environment.

## Risk Management Framework

The overarching objective of our Enterprise Risk Management (ERM) follows standardized procedures for identifying, evaluating, addressing, and reporting key risks, to help prevent damages, losses, or injuries. This aids in meeting the corporate governance requirements of the Board and assists the due diligence responsibilities of senior management. Moreover, it enhances the transparency and credibility of our management practices.

Considering the dynamic nature of our business, it is inevitable that opportunities will arise along with risks and uncertainties. Therefore, we have a robust risk management system that encompasses economic, strategic, legal, social, financial, technological, operational, and ESG (Environmental, Social, and Governance) aspects.

### Board of Directors

- Set strategy
- Approves development and implementation of a risk management policy
- Review and approve risk management framework

### Audit & Risk Management Committee

- Review of risk management policy
- Evaluation of risk management process
- Periodic review of the adequacy and effectiveness of the system of internal controls and risk management
- Periodic review of mitigation plan, KPIs and risk mitigation score

### Chief Risk Officer and ERM Manager

- Drives the ERM activities within the Company
- Assist the entire risk management process
- Monitor mitigation plans, KPIs and risk mitigation score

### Risk Management Steering Committee (RMSC)

- The Committee recommends the Risk Management policy to the Audit & Risk Management Committee and ensures that significant risks facing the Company have been identified;
- Prioritise resources to manage key risks
- Monitor status of key risks, mitigation plans, KPIs and their controls
- Reporting of risk mitigation score periodically to the Audit & Risk Management Committee

### Risk owners

- Assist risk management process for the function
- Be responsible for driving mitigation plans in the function and maintain documentation for the same
- Assist ERM manager for monitoring of the mitigation plans for the risk
- Develop risk culture within the function

## Loss of competitive advantage

**Description and challenge**

The sector has witnessed the convergence of major telecom players into a concentrated few, limiting the number of key industry players.

Further loss of competitive strength can occur due to:
a) market share erosion, b) tenancy churn

**Mitigation strategy**

- With our sustained growth and reliable services, we have established a strong position in the competitive landscape and earned the reputation of being the preferred partner for operators.
- We ensure timely rollouts and conversions, prioritize cost efficiency, and promptly respond to customer demand. Our pan-India presence, resilient supply chain and certified processes instill trust in our operators, enabling them to save on their capital and operational expenses.
- By adopting customer-centric approach, we have fostered customer-loyalty and built enduring relationships. We collaborate with our customers to deliver seamless telecom connectivity to the end-users.
- We have always put our customers' needs first and designed customized solutions for them. Moreover, we are equipped with remediation strategies to avoid and respond to sudden exigencies.

**Way forward**

- We benchmark our products and services with those of our competitors to gain valuable insights. Leveraging this knowledge, we enhance our offerings, thereby retaining our market leadership.
- To build a deeper and mutually beneficial connection with our customers, we consistently develop and expand the scope of our services.

**Capital impacted**

- Financial
- Manufactured
- Relationship
- Social

## Diversification

**Description and challenge**

With the ever-evolving competitive landscape of the telecom industry and its potential impact on the Company it is imperative to focus on diversifying our business line. This will help in long term growth and sustainability of the organization.

**Mitigation strategy**

At Indus towers we have always used innovation and technology to give our customers future ready solutions which help them serve their ultimate customers.

- Our ability to handle large projects in a distributed environment gives us a clear edge in executing large opportunities.

**Way forward**

- Technological evolution provides multiple opportunities both adjacent to our existing business and new business areas
- Conducting feasibility studies and evaluating opportunities which align with the key strengths of the organization and add value to its shareholders, would be a key focus area for Indus Towers.

**Capital impacted**

- Financial
- Manufactured
- Intellectual
- Social
- Relationship

## Impact of new technology/ innovation

**Description and challenge**

An organization's ability to adapt to the evolving technological landscape and meet customers' expectations by providing innovative and cost-effective solutions is critical for long-term sustainability.

With rapid technological advancements, increasing customer demand 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, our customer-centric approach and readiness to adopt and respond to innovation and technology are the catalysts which help us in offering effective solutions to help Telecom operators serve their consumers.

- We integrate our customers' insights to advance our vision of a digitally connected nation.
- We stay abreast of emerging technologies like 5G, smart cities, IBS, Small cells and other relevant solutions.

### Way forward

- We have been providing solutions that add value to our customers and stakeholders and have been at the forefront of deploying robust digital infrastructure. Our PAN India network presence, reliability, stability, and capabilities have established our dominant market presence.

### Capital impacted

- Financial
- Manufactured
- Intellectual

## Financial health of key customer

**Description and challenge**

Deteriorating financial health of a key customer could lead to persistent payment defaults leading to subdued cash flows.

### Mitigation strategy

- Monitoring the status and ageing of customer receivables
- Ongoing performance review and execution of agreed-upon action plans.

### Way forward

- While the collection situation has improved in relation to the current debts, the company continues to be engaged with the customer for its old outstanding
- Close monitoring of the ageing of pending customer receivables continues to be a key focus area.

### Capital impacted

- Financial
- Social
- Relationship

## Statutory compliances, regulations, and reforms

**Description and challenge**

Our operational actions serve a greater national objective and are under the purview of law and order. Our operations are subject to a constantly changing regulatory environment. These have the ability to change the way we operate.

Litigation or new levies may lead to:
a) Loss of reputation, b) Disruption of business operations, c) Significant financial loss

### Mitigation strategy

At Indus Towers, we are affiliated with various industry bodies including DIPA, COAI and Assocham for uniform RoW policy, deployment of small cells on street furniture, among others and we implement the same at ground level through central and state Government intervention.

- We regularly monitor changes in the tax, regulatory and statutory landscape and re-model our operations to ensure compliance amid changing market dynamics.
- Through advocacy we minimize the prospects of replication of any demand/penalties. Effective governance and established processes ensure the presence of adequate monitoring mechanisms which enables us to meet all regulatory and statutory requirements and compliance.

### Way forward

- We have been playing the role of an advisor during discussions with authorities including FOIR, DoT and MoP. for regulatory requirements in case of emerging technologies, for instance, the use of street furniture for 5G, smart meter deployment, priority connections, among others.
- In order to resolve business related compliance concerns, we continue to engage with various authorities including MoP, CERC, MORTH and Railways.

### Capital impacted

- Financial
- Intellectual
- Social
- Relationship

## Data security and cyber threats

**Description and challenge**

Inadequate visibility over new/ enhanced cyber-security/ information security risks may lead to service interruptions or compromise of company data. This can affect the Company's reputation, operations and revenue.

### Mitigation strategy

At Indus Towers, we regularly track and conduct security incident impact assessments to determine their impact.

- Our systems are configured to continuously monitor and notify our administrators in the event of breaches of our DLP (Data Loss Prevention) policy.
- We ensure regular assessment and closure of threat advisories in accordance with the specified criticality-based timelines.

### Way forward

- With continued investments in tools and system upgrades as well as policy tightening, accompanied by increased focus on awareness building, we are able to ensure efficiency in operations while avoiding data breaches.

### Capital impacted

- Financial
- Intellectual
- Social
- Relationship

## People retention and succession planning

**Description and challenge**

The retention of a highly capable workforce is essential for the Company's sustained growth.

Increased attrition rates and inadequate succession planning could impact business operations

**Mitigation strategy**

The attrition rate is being monitored across all levels of the Company for high performers.

- Further, policy on succession planning is in place to ensure business continuity and cushion the organization against attrition of key employees.
- Employee-centric policies to attract and retain high performers are framed and implemented.

**Way forward**

At Indus Towers, we monitor the retention programs to keep the attrition level within acceptable levels. Assessing hiring efficiency ensures that vacancies are filled on time.

- Our personnel are exposed to numerous growth opportunities that are communicated to them regularly.
- We have a well-organized program for hiring, training, promoting and compensating people.
- Succession planning for all critical roles is being conducted to ensure smooth transition in case of attrition.

**Capital impacted**

Human

## Inflated commodity prices

**Description and challenge**

Due to the ongoing economic uncertainty, commodity prices are likely to fluctuate which could impact our profitability and cashflows.

**Mitigation strategy**

We concentrate on value addition and engineering to limit material consumption and boost operational efficiency.

- To improve the utilisation of resources, we conduct effective planning, forecasting, overhauling of old assets, and waste reduction initiatives.
- We closely monitor price fluctuations to make informed decisions on time.

**Way forward**

We continue to keep a close watch on external factors and price fluctuations.

- Leveraging established processes and innovative solutions will help us achieve cost optimization on a continuous basis.

**Capital impacted**

Financial

Intellectual

Natural

## Asset management

**Description and challenge**

Improper asset management results in financial misstatements, inefficient asset utilization, and physical shortages.

**Mitigation strategy**

- We assure optimal utilisation by regularly gauging asset movement and ageing at various locations.
- Physical asset verification is carried out in accordance with the established schedule, and the findings are updated in systems on a regular basis.
- We ensure adequate asset refurbishment for assets needing repair post-health check-ups.

**Way forward**

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

**Capital impacted**

Financial

Manufactured

## Reconciliation differences

**Description and challenge**

Operational issues raised by customers and inability to resolve disagreements timely, leading to financial loss.

**Mitigation strategy**

- Ensuring access to comprehensive and accurate data from the field for active assets to ensure billing accuracy.
- Periodic monitoring of all types of disputes and ensuring resolution of the same on a timely basis within the defined 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 setting old disputes, we plan for prevention of similar disputes through a structured dispute resolution mechanism.

**Capital impacted**

Financial

Social

Relationship

## People safety

**Description and challenge**

To ensure the safety of our 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.
- Employees are given adequate safety equipment for 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 are continuing to work closely with our staff and assisting them in all possible ways.
- We continue to monitor performance with the plan for Tower strengthening, Pole Strengthening, Tower maintenance and Pole Maintenance.

**Capital impacted**

- Financial
- Manufactured
- Human

## Natural disasters

**Description and challenge**

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

**Mitigation strategy**

- To deal with such unprecedented scenarios, we invest in asset insurance that covers the replacement value of our current telecommunications network. This ensured coverage in the event that any unforeseen catastrophes occur.
- 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.
- We have deployed suitable business continuity strategies and disaster recovery measures to ensure the continuation of normal operations while providing seamless services to our clients.

**Way forward**

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

**Capital impacted**

- Manufactured
- Natural

## ESG compliance across the organization

**Description and challenge**

Non-adherence to ESG targets leading to risk of business sustainability in the long run.

**Mitigation strategy**

- Established a governance framework to monitor ESG progress in comparison to the targets set for the year.
- ESG Committee (Board delegated) to provide strategic guidance and ESG Council (senior management) will consolidate and implement the ESG practices within the organization.

**Way forward**

- We will focus to increasingly integrate ESG priorities into strategic decision making to remain competitive and resilient.
- We will ensure close monitoring of variation to targets and take timely corrective actions wherever required

**Capital impacted**

- Financial
- Manufactured
- Natural
- Social
- Relationship

## Impact of restriction on diesel usage

**Description and challenge**

Government restriction on usage of diesel may require substantial investment in new infrastructure and equipment of alternative energy sources.

**Mitigation strategy**

- This risk is added due to the Government's focus on clean and green energy drive and initiating efforts for reducing the use of diesel across industries.

**Way forward**

- We are creating a roadmap for identifying alternate energy sources that can replace diesel on a large scale.
- The Company has taken stringent targets for reducing diesel usage across its sites and the same is part of the ESG governance.

**Capital impacted**

- Financial
- Manufactured
- Natural
- Social

# Board of Directors

## Mr. N. Kumar

Chairman and Independent Director

M1 M2

Mr. 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.

Mr. 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.

Mr. 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

C1 M2

Ms. 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, 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. Gopal Vittal

Non-Executive Non-Independent Director

Gopal Vittal has served as the Managing Director & Chief Executive Officer of Bharti Airtel Limited for the last ten years. In his role as CEO, he is responsible for defining the strategy and providing overall leadership to the operations of the company.

Under his leadership, Airtel has built a strong portfolio of businesses across Mobile, Homes, Enterprise and Digital services. In the last few years, he has driven the digital transformation of the business, improving experience, stripping out cost and re-imagining the business. As a result, Airtel has achieved a lifetime high in terms of both revenue market share and Enterprise value in a brutally competitive market place.

Prior to this, Gopal worked for twenty years with Unilever across sales, marketing and general management in markets spanning India, Thailand, Philippines, Indonesia and China. In his last assignment, as member of the Hindustan Unilever board, he led the Home and Personal care business and turned around the overall portfolio including Personal care, a segment that was declining for several years.

Gopal sits on the board of Bharti Airtel Limited, Indus Towers and Airtel Payments bank in addition to serving as Deputy Chair of GSMA, the premier global association of the mobile industry with over 1200 members across the world. He is an alumnus of Madras Christian College and has completed his MBA from IIM, Kolkata

### Board Committee

C Chairperson

M Member

1. Audit & Risk Management Committee
2. HR, Nomination and Remuneration Committee
3. Corporate Social Responsibility (CSR) Committee
4. Stakeholders' Relationship Committee
5. Environmental, Social, and Governance (ESG) Committee

## Mr. Harjeet Kohli

Non-Executive Non-Independent Director

M1

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

Mr. Kohli 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 and FieldFresh Delmonte India, amongst others.

Prior to this role, Mr. Kohli has served as Director - Finance and 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) and business/franchise deals in Insurance, foods, real estate, et al.

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

## Mr. Pankaj Tewari

Non- Executive Non- Independent Director

Mr. Pankaj Tewari is a member of the Institute of Company Secretaries of India and a law-graduate with over 21 years of professional experience spread across Industry and Consulting. He is the Group Company Secretary of Bharti group since June 2017 reporting to the group Chairman. He is responsible for ensuring high standards of Corporate Governance across the group. He has anchored / supported marquee corporate transactions including some of the largest fund-raising initiatives, mergers & acquisitions, corporate restructuring and overseas listing of Airtel Africa plc. He has engaged with regulatory bodies at senior levels both in India and overseas and represented the Company at various fora.

Mr. Tewari is a part of Bharti Management Board and serves as a Non-Executive Director on the board of various Bharti Group companies including Bharti Enterprises Limited, Airtel Digital Limited and Telesonic Networks Limited, amongst others.

Before joining Bharti Group, he had a long stint of 12 years with PricewaterhouseCoopers (PwC). He has worked extensively in Corporate and allied laws, Corporate Governance and Compliance space and has the experience of working with Senior Boards on governance, board-effectiveness and evaluation. He led the thought leadership initiative on the new Company law and conducted workshops for boards of several large listed and multinational companies. Prior to PwC, Mr. Tewari has worked in the industry in the corporate secretarial and legal domain.

Mr. Tewari has been a member of committees on corporate laws and regulatory affairs in CII, FICCI and PHD Chamber of Commerce. He has been a CII nominee on Secretarial Standards Board. He has been extensively involved in various initiatives on public advocacy, policy matters and thought leadership. He has spoken / written regularly on contemporary issues in corporate laws / governance and regulatory space.

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- M Member

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## Mr. Prachur Sah

Managing Director & CEO

M5

A dynamic, result-oriented leader, with over 22 years of work experience, prior to joining Indus Prachur led the oil & gas vertical at Vedanta. As an oil & gas industry leader, he has experience across 2 models in the sector – upstream asset development and management and upstream engineering and technology services. In his role, he handled a P&L with revenue exceeding $7B USD and was instrumental in leading the next phase of growth for Cairn with a focus on delivering volumes, cost, growth projects, R&R, and monetization (new blocks). He is popular for building a culture that is value-driven, encourages innovation while maintaining the highest levels of safety, sustainability, and robust governance. Prachur joined Cairn oil & gas in 2018 as Director – NV, OALP block where he was responsible for the 51 new blocks awarded to Cairn and resulting exploration opportunities.

Mr. Prachur Sah was Managing Director of Schlumberger – South Asia region prior to moving to Cairn. He has held leadership positions in line management, HR, Safety, Marketing in Schlumberger across the Middle East, Latin America, Europe, India, and the U.S. which gave him exposure to operations, strategic planning, and oil and gas management in his journey of 18 years with the company.

Prachur Sah is an electrical engineer from Indian Institute of Technology, Mumbai and MSc in Management from Heriot-Watt University, Edinburgh.

## Mr. Rajan Bharti Mittal

Non-Executive Non-Independent Director

M2 M3 M4

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 such as 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. Mittal 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.

Mr. Mittal 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. Mittal has also served as the President of Association of Basic Telecom Operators (now known as Association of Unified Telecom Service Providers of India - AUSPI) in 1999-2000.

Mr. Mittal 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.

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## Mr. Ramesh Abhishek

Non-Executive Independent Director

M1 M3 C4

Mr. Ramesh Abhishek has decades of valuable experience as a former member of the IAS. His last role in the Government was as Secretary to the Government of India in the Department for Promotion of Industry and Internal Trade (DPIIT) till 2019. Mr. Abhishek has been an eminent reformer and brings expertise in governance, policy design and implementation, competitiveness, investment promotion, and intellectual property rights to his role. He serves as an independent director in several listed companies. He also serves as Director on the Board of the US-India Business Council.

As Secretary to the Government of India in DPIIT, Mr. Abhishek spearheaded a number of key Government initiatives such as Make in India, Start-up India, and Ease of Doing Business. He played a crucial role in driving the Invest India initiative to strengthen investment promotion and usher in FDI. He also led the effective implementation of the startup India program. He also oversaw the implementation of the National IPR Policy 2016.

Mr. Abhishek holds a Master's degree in Public Administration from the Harvard Kennedy School, an MBA from Sikkim Manipal University, and a Master's in international politics from Jawaharlal Nehru University.

## Mr. Randeep Singh Sekhon

Non-Executive Non-Independent Director

M5

Mr. Randeep Singh Sekhon is the Chief Technology Officer for Airtel India and South Asia. Headquartered in New Delhi, India, the Company ranks amongst the top three 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 and international long-distance services to carriers.

Mr. Sekhon is responsible for driving Technology Strategy and Innovation, Digitization, Network Operations, Rollout, Planning and Quality.

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

## Mr. Ravinder Takkar

Non-Executive Non-Independent Director

M2 M3

Mr. Ravinder Takkar is the Non-Executive Director and Non-Executive Chairman of Vodafone Idea Limited, India's leading telecom service provider, effective 19th August 2022.

Mr. Takkar has a 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, Mr. Takkar was Managing Director and CEO of Vodafone Idea Limited, he was the Chairman, Vodafone Group Services & Regional Business Development (Africa, Middle East and 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, he is also on the Board of Indus Towers Limited and Cable and 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.

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## Mr. Sharad Bhansali

Non-Executive Independent Director

M1 C2 M4

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, and so on. 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.

Mr.Bhansali 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. He is based out of New Delhi, India.

## Ms. Sonu Bhasin

Non-Executive Independent Director

M1 M2 C3 C5

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.

Ms. Bhasin 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 standalone 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 Dhingra 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.

Ms. Bhasin 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.

She 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. Sunil Sood

Non-Executive Non-Independent Director

M4

Mr Sunil Sood 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 and 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).

Mr. Sood 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, Mr. Sood 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).

## Mr. Thomas Reisten

Non-Executive Non-Independent Director

M1 M5

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.

### Board Committee

- C Chairperson
- M Member

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# Delivering Value through Innovation and Synergy

Our integrated approach to the deployment and management of various forms of capital guides our decision-making and disclosure practices. This is an essential part of our value creation journey.

With connectivity becoming a key priority for India, the demand for quality network is growing exponentially and the need for a robust wireless digital ecosystem is imperative. With an aim to sustain our leadership position and commitment to our purpose of building a more sustainable and connected India, we are prudently investing and building our 6 capitals to create long term value for our stakeholders.

## Introducing Our Capitals

### Financial Capital

Our financial capital plays an integral role in driving growth and delivering sustainable returns. It includes our shareholder equity and external borrowings amongst others. We maintain an optimal capital structure and judiciously allocate capital across our business to strengthen the balance sheet and enhance efficiencies across our operations for long-term value creation for our stakeholders.

### Manufactured Capital

With a Mission to strive for Customer Delight through continuous innovation, everything we do centers around delivering an unparalleled experience to our customers. We are mindful that the ability of our customers to meet the growing demands of connectivity and the internet of their new age customers depends on our agility and capability to provide a strong and reliable infrastructure. Therefore, we are constantly investing in building capabilities and expanding our infrastructure to be more future ready than ever.

### Intellectual Capital

With a desire to stay a step ahead, we rely on our intellectual capital underpinned by our digital and technological capabilities to innovate and deliver exceptional products and services. Our endeavors are focused on improving operational efficiencies and enriching customer experiences through cost-effective and sustainable solutions.

### Natural Capital

We are committed to truly living our credo of 'Putting India First' and together with our customers we are transforming millions of lives across the nation. While we leave no stone unturned to serve the needs of the present generation, we also make sure that the future generations' ability to utilize these resources is not compromised.

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

### Human Capital

At Indus Towers, our aspirations are inherently aligned with our people. To sustain our leadership position, we rely on our dynamic talent base which empowers us to relentlessly pursue our mission of turning ideas into reality and making meaningful difference to the lives of millions. Keeping employees' health, well-being and development at the core, we are focused on creating a diverse and inclusive culture where our employees feel inspired and valued.

### Social and Relationship Capital

We have built and nurtured strong relationships with our stakeholders. We take active interest in stakeholder expectations and engage in timely and two-way communication to foster collaborative relationships. Our differentiated offerings, customer-centric service excellence, commitment to inclusive growth, vision for community empowerment and upliftment, and ethical and transparent practices have earned us their trust and support. The strength of our social partnerships and stakeholder relationships is vital for enabling us to meet the needs of our customers in the ever-evolving digital landscape, co-create long term value and build a sustainable entity.

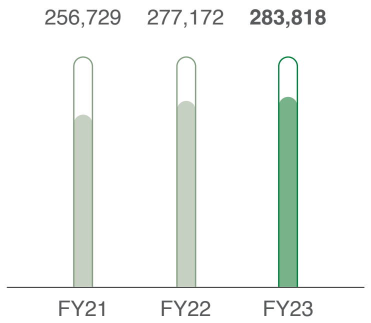
Our strategic priorities have been derived from our 'Customer-first' approach to enable our customers with their accelerated rollouts to bridge the digital divide and enable Government's vision of 'Digital India'. With sustainability at the forefront of our thinking, we see our people and digital capabilities as key enablers for making progress on each of our strategic priorities

# Financial

## Capital

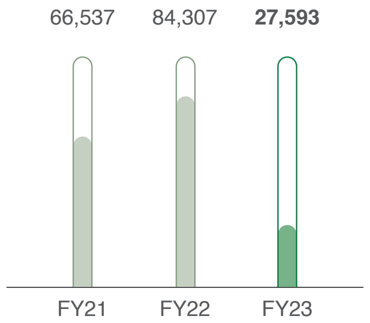
At Indus, our endeavour is to provide optimum returns for the financial capital and other resources that we deploy in our business. We acknowledge the pivotal role of our financial capital in shaping our success. It serves as the foundation upon which we build our operations, make strategic investments, expand our network of towers, and drive innovation in the ever-evolving world of connectivity. Our business model is aligned to maximize output over long-term and create sustainable value.

### Revenue from operations
(in ₹ Mn)

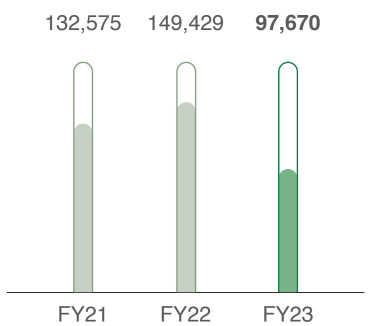



Revenue from operations increased 2.4% in FY 2022-23 on account of co-location additions and 5G loading by operators.

### Profit Before Tax (PBT)
(in ₹ Mn)



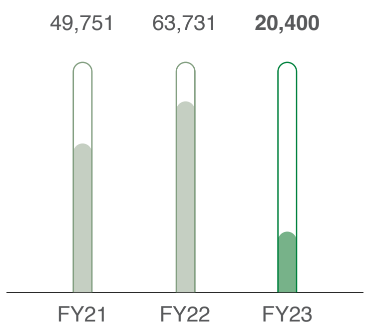

### EBITDA*
(in ₹ Mn)




*EBITDA is excluding other income

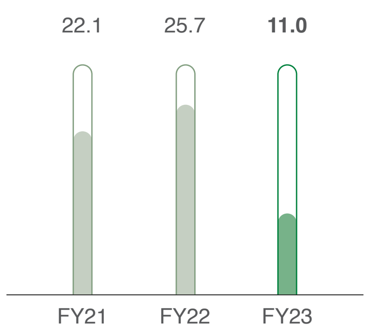
In the fiscal year 2023, our EBITDA stood at ₹97,670 million, representing a 34.6% decrease on a year-on-year basis. The EBITDA margin was 34.4%. The decline was due to creation of a substantial provision for doubtful debt in respect of overdue recoverables from one of the major customers.

### Profit After Tax (PAT)
(in ₹ Mn)




Profitability was impacted due to the provision for doubtful debt.

### Return on Capital Employed (RoCE)* (%)




*Pre tax

### Key financial ratios

| | FY22 | FY23 |
|---|---|---|
| EBITDA Margin (%) | 53.9 | 34.4 |
| Return on Equity (Pre tax) (%) | 44.3 | 12.8 |
| Operating Cash Flow (₹ Mn) | 91,212 | 79,048 |
| Net debt to equity (No. of times) | 0.13 | 0.21 |
| Net debt to EBITDA (No. of times) | 0.19 | 0.45 |
| Capex Productivity (%) | 30.7 | 29.3 |
| Opex Productivity (%) | 14.2 | 46.0 |

**Note:** FY 2021 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 with Appendix C of Ind AS 103.

# Analysis of the Cash Flow Statement

**Cash Flow from Operating Activities**

The cash flow generated from operating activities for the year ended March 31, 2023 was ₹79,048 million as against ₹91,212 million for the year ended March 31, 2022. The decline was primarily due to increase in working capital because of lower collections.

**Cash Flow from Investing Activities**

During the fiscal year 2023, a sum of ₹17,300 million was utilized towards investing activities, as against ₹21,737 million for the year ended March 31, 2022. The decrease was due to higher redemption of investments during the year.

**Cash Flow from Financing Activities**

The cash utilized for financing activities during the fiscal year ended March 31, 2023, was ₹71,326 million compared to ₹59,816 million for the year ended March 31, 2022. The increase was attributed to payout of previous year's dividend in FY 2022-23.

### Impact of Financial Capital on Other Capitals

**Manufactured Capital**

Our continuous investment in new towers and the upkeep of existing ones has helped us grow our manufactured capital, which in turn has driven economic growth. We have created and maintained high-quality, technologically advanced towers that form the backbone of India's telecommunications infrastructure.

**Intellectual Capital**

We have invested in adopting best-in-class technologies and building expertise to maintain our leadership position in the telecom industry. To provide seamless services and high uptime for all, we have also focused on enhancing our digital platforms.

**Human Capital**

Our success is built on the skills, knowledge, and abilities of our personnel. We have invested in multiple programs to sharpen the capabilities of our people and promote a culture of consistent learning and innovation. We have also implemented policies to promote diversity, equity, and inclusion in our workplace.

**Social and Relationship Capital**

We have invested in initiatives through our CSR activities to uplift local communities, including education and healthcare programs. We have also worked on promoting responsible business practices and building enduring relationships with our stakeholders.

**Natural Capital**

We continue to invest in renewable energy sources such as solar power and have implemented measures to reduce our carbon footprint. We believe that our efforts to promote sustainability and conserve our natural capital are critical to our long-term success and the well-being of our stakeholders.

# Manufactured

## Capital

Building a future-ready digital ecosystem is the need of the hour. Our extensive asset portfolio comprises a vast network of towers that have been meticulously designed and strategically deployed to serve billions of people, even in the most remote locations. These towers are the backbone of our operations, fueling the nation's progress and offering individuals access to seamless communication.

**Wireless connectivity, now an indispensable lifeline, caters to a diverse spectrum of human needs.**

## Year at a glance

192,874 Towers - **Added 7,427 towers** during the year

342,831 Co-locations (excluding lean) - **Added 7,040 co-locations**

6,918 co-locations on lean towers - **Added 5,199 during the year**

**Added > 4,300 sites in rural areas**

Pan India network - **Present across 22 circles through 72 offices**

**99.96% uptime** - Amid cyclones and floods in major states

**Significant increase in our share** in rollouts by our key customer

**₹41,210 Mn** of Capex investments

**7 warehouses Titanium certified** by the Confederation of Indian Industry (CII) which signifies our commitment to excellence and the integration of green concepts

### Material issues

- Reliability of telecom network

### Commitments & Targets

- Embracing digital transformation across our processes to ensure network reliability.
- Ensuring asset integrity
- Improving our share in the business of our customers

### SDGs


## Way forward

Bridge the digital divide by facilitating our customers in their **accelerated rural rollouts**

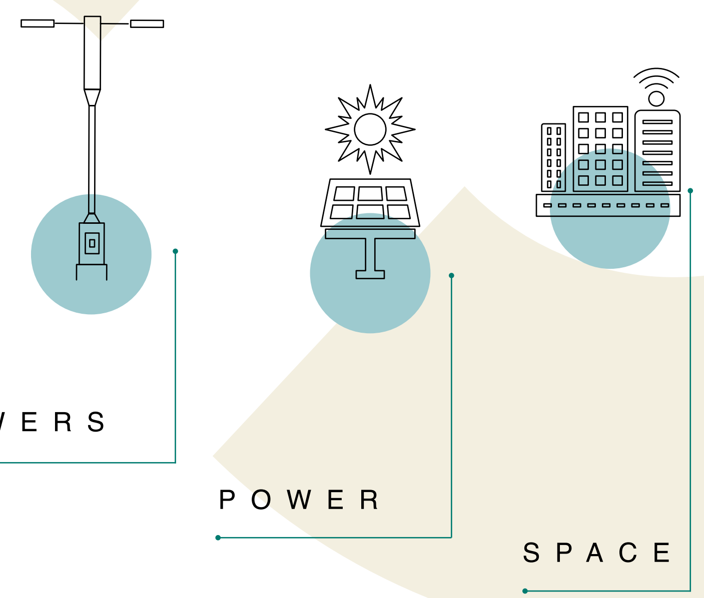
Connect all our towers by building the **largest real-time telemetry data system**

Build a **robust asset management plan** by leveraging data support

**Smoothen the deployment process** and **optimise delivery time** through a real-time tracking mechanism and logistics alignment

Work towards **achieving Titanium certification for our remaining warehouses**

To cater to the exponential rise in wireless technology demand and its boundless potential, we are investing consistently in augmenting our capacities and reinforcing Indus's leadership in the industry. We have an extensive range of product offerings and services portfolio, revolving around:




## Towers

Our tower infrastructure is amplifying connectivity

As part of our endeavor to revolutionize connectivity, we have created a network of transmission towers that serve as instrumental nodes within the telecommunication landscape. These towers serve as a foundation for us to provide uninterrupted and seamless connectivity to the end user. We ensure optimal signal transmission and reception by strategically positioning operator antennae at optimal heights.

Our role extends beyond mere support, and we partner with our customers as we deploy the passive physical infrastructure required to house their active equipment, including Base Transceiver Stations (BTS), transmission links, and microwave antennas.

Over the years we have introduced advanced tower designs to cater to the evolving needs of connectivity and sustainability. Our towers encompass a wide range of designs, from traditional lattice-type structures such as ground-based towers, rooftop towers, and poles, to aesthetically designed lightweight hybrid poles, monopoles, and camouflaged towers that seamlessly blend with their surroundings. These new tower designs offer innovative solutions to enhance network coverage, capacity, and environmental sustainability.

## Power

Innovative energy solutions for improved and sustainable operations

Energy forms a fundamental pillar of our operations, and we ensure a reliable power supply to our customers. We offer cutting-edge energy solutions that power our customers' equipment with a focus on reducing costs and environmental impact. We tap into grid energy from state electricity boards wherever feasible, prioritizing reliability and sustainability. We utilize diesel as an alternative source when grid energy is unavailable. However, in our endeavor to minimize our environmental impact, we implement innovative strategies to optimize fuel consumption and introduce alternate sources of energy.

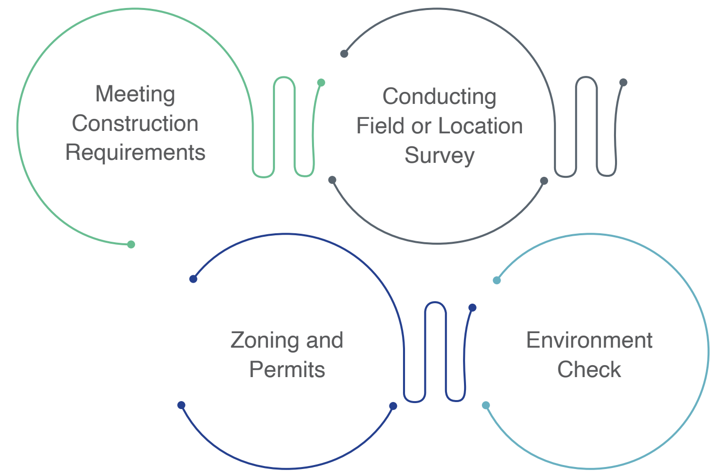
With an aim to decarbonize our business operations, we are committed to promoting the implementation of innovative solutions and the use of renewable energy including solar energy and wind energy, further contributing to a greener future.

## Space

Our towers serve as the backbone of India's telecom sector, housing and facilitating the smooth operation of essential equipment. To achieve this, we collaborate with residential and commercial property owners, acting as trusted partners in strategic locations. Throughout the lifecycle, we engage with landlords to establish a symbiotic relationship that allows us to host our passive infrastructure on their premises. This collaboration ensures seamless connectivity and uninterrupted power supply.



# Site Acquisition Process




The site acquisition process involves assessing construction requirements, conducting field surveys, and obtaining necessary permits and approvals while considering environmental factors. Before proceeding with the construction, an assessment is conducted to evaluate the potential environmental impact of the project. The assessment helps identify any avoidable damage that may occur due to environmental conditions. Based on the evidences collected during the assessment, decisions can be made to mitigate or minimize the environmental impact of a tower's construction.

These steps help ensure that the tower construction is feasible, compliant with regulations, and environmentally responsible.

## Empowering Landlord Partnerships

We have embarked on a transformative journey towards digitized operations, with strategic alliances with landlords to enhance efficiency and customer satisfaction. We have established a cutting-edge digital platform and a centralized service center to foster an interconnected ecosystem where seamless communication and streamlined processes thrive.

**276K**

**Landlords**

**A Digital Nexus**

Through our state-of-the-art digital platform, we have forged a robust bond with landlords, creating a seamless interface for acquisition and complaints management. This virtual convergence enables swift, transparent, and efficient communication, facilitating a harmonious collaboration between all stakeholders involved.

## Collaboration for Institutional Acquisition

To ensure that our nation's progress keeps pace with global advancements, it is imperative to establish better network coverage through prudent site acquisition. We have collaborated with state Governments, military establishments, educational institutions, municipalities, households, transportation authorities, private enterprises, and other stakeholders. These strategic partnerships have not only resulted in reduced rental costs but have also alleviated concerns regarding tower maintenance and security.

To facilitate a seamless rollout of the site acquisition process and foster strong business alliances, we have created an institutional acquisition (IA) platform. This platform serves as a catalyst for collaboration with prominent industry players, enabling us to collectively drive progress and innovation in the field of network connectivity.

We have a strong focus on Institutional Acquisition (IA). Some of the highlights for FY 2022-23 and key collaborations:

- Strategic defence sites added
- Increased our portfolio of IBS
- Metros- DMRC, MMRC, CMRL
- 1,124 new Institutional Acquisition (IA) sites added, and renewed a significant number of IA sites
- Secured long-term and strategic contracts with prestigious institutes, including Indian Railways, Indian Oil Corporation, NTPC, NPCL and BSES, covering locations across India

## Building Resilient Infrastructure and Overcoming Hurdles

Our infrastructure's susceptibility to both natural and man-made hazards poses a risk to our business operations, as well as our human and financial resources. To ensure the safety of our people and assets, and eliminate any risk to the community, we strengthen our infrastructure to make it more resilient.

### Improving Tower Excellence

To enhance our tower excellence, we are prioritizing proactive investments overreactive spending. Through our safety management framework and other initiatives, we are shifting our focus towards proactive measures. During FY 2022-23, we invested significantly to ensure the health and resilience of our infrastructure, enabling us to effectively navigate through times of crisis.

### Strengthening our Safety Management Framework

We operate our infrastructure across diverse and challenging terrain nationwide. With our robust processes and mechanisms, we seamlessly erect infrastructure, while prioritizing the safety of our assets. We conduct regular quality checks on towers, poles, gates, and roof edges to mitigate any risks. Our safety management framework ensures the resilience and continued operations of our towers and poles, even during extreme situations.

**> 35,500 towers**

**Strengthening and maintenance activities in FY 2022-23**

**₹8,623 Mn**

**Capex spent on repairs and maintenance**

### Revolutionizing Tower Health Assessment

We have implemented a drone-based system for assessing tower health, enabling us to remotely capture detailed information about towers and sites. This innovative approach not only streamlines the process but also contributes to reducing greenhouse gas emissions and carbon footprint. By minimizing the need for physical verifications, we can effectively monitor and evaluate tower health while also promoting environmental sustainability.

## Overcoming Hurdles

Given the nature of our business, we have developed a robust and comprehensive Business Continuity Plan (BCP) to ensure uninterrupted network services, even in the face of adversities such as natural disasters like cyclones. Our BCP is the result of our experience gained from various past incidents and is designed to make our infrastructure resilient and capable of delivering 24x7 network services. One crucial aspect of our BCP is field alignment. We deploy a dedicated Tiger Team to each location within the projected affected area. This team comprises highly skilled technicians, engineers, fillers, and an Emergency Response Vehicle (ERT) equipped with all the necessary tools and materials for site recovery. Together, they form the first line of defense against any disruptions.

To support the Tiger Team, we have a Tower Operation Centre (TOC) in Gurgaon that operates round the clock. This center provides the Tiger Team with weather and cyclone forecasts at least 15 days in advance, enabling them to prepare and plan accordingly. Our BCP has consistently demonstrated its effectiveness in minimizing or eliminating disruptions to the network.

**99.96%**

**Uptime in FY23**

**99.99%**

**Critical sites uptime in FY23**

**21 Minutes**

**Average downtime in FY23**

> Our BCP is the result of our experience gained from various past incidents and is designed to make our infrastructure resilient and capable of delivering 24x7 network services.

**Our response to the challenges faced during the year:**

| Severity | BCP Events | Unique Sites Impacted During BCP | Commercial Uptime (Indus Level) | Site /network restoration |
|---|---|---|---|---|
| 1 | Deep Depression / Floods – NESA | 587 | ~99.95% | Prolonged Floods in Assam, where the highest single day outage went up to 176 sites and got restored within 8 hours. |
| 2 | Cyclone ASANI | 77 | ~99.94% | Fastest recovery: Within 12 hours, circles were recovered from Cyclone. |
| 3 | Heavy Rain – NESA, UPW, RAJ, MPCG | 480 | ~99.94% | On an average sites got restored within 4 hours |
| 4 | Deep Depression – NESA | 270 | 99.95% | Circle level MSA achieved. |



# Transforming Lives Through our Services

## Enabling a digitally connected future

Our commitment to transforming lives goes beyond enabling connectivity; we have become a catalyst for the nation's progress despite formidable challenges. From the pandemic's disruptive impact to natural disasters and unfavorable terrains, we have stood strong, enabling connectivity for millions of Indians.

### Bridging the Digital Divide and Transforming Lives

Standing together to accomplish the Country's vision of 'Digital India,' we are empowering telecom operators to deepen their reach in remote rural areas. In a world where communication is vital, it is disheartening to see parts of India still lacking proper connectivity. Our unwavering dedication has led to the delivery of exemplary experiences to millions of Indians who were previously disconnected. Together with our customers, we are bridging the nation's digital divide and creating equal opportunities for growth across the length and breadth of the country.

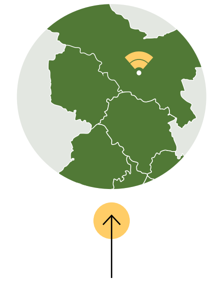
Through the power of technology and seamless digital infrastructure, we are redefining the way people connect and communicate, and empowering lives with limitless possibilities.

With relentless efforts of our field force, in spite of having challenging terrain, we have reached the remote areas in Arunachal Pradesh, J&K and the interior regions of the Northeast states, thereby enabling our customers to offer services to underserved communities.

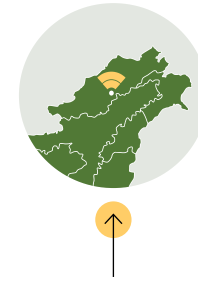
**>1,000 +**

**New sites (including lean) added in NESA & J&K**

In **Uttarakhand**, we have deployed new sites along the Kedarnath track route, ensuring network connectivity in this challenging and geographically diverse area. This initiative enables residents, travellers, and pilgrims to stay connected and access communication services in a previously inaccessible region.



In **Leh and Ladakh**, we have added **35 new sites**, expanding network coverage to these remote and hilly areas.



**Arunachal Pradesh**, known for its challenging terrain and remote locations, has witnessed significant progress in network connectivity. We have added a remarkable **260 new sites** across the state. This initiative has a transformative impact on the lives of the people of Arunachal Pradesh, enabling them to connect with the rest of the world and access vital services.

## Micro Data Centers

In our relentless pursuit of operational excellence and environmental stewardship, we have built Micro Data Centers (MDCs) at 73 Extreme and Gateway sites. These MDCs serve as mini–Mobile Switching Centers (MSCs), enabling enhanced network operations and reducing carbon footprint simultaneously.

By deploying MDCs at these sites, we are empowering operators with a localized infrastructure that optimizes network efficiency. These mini MSCs ensure low-latency connections, reduced data transfer distances, and enhanced network management capabilities. As a result, operators can deliver superior services, seamless connectivity, and enhanced user experiences, all while efficiently managing network operations in challenging environments.

**73**

**Extreme and Gateway sites**

These MDCs serve as mini–Mobile Switching Centers (MSCs), enabling enhanced network operations and reducing carbon footprint simultaneously.

# Digitized Operations for Uninterrupted Networks

Our intellectual capital serves as a catalyst for our manufactured capital. With our vast and distributed footprint of 192,870+ network towers spread across the nation, the digital revolution becomes imperative for us to stay ahead of the curve. Through digital transformation, centralized monitoring, robust infrastructure, and investments in maintenance and decision support systems, we ensure uninterrupted services. Our field teams, connected 24*7, provide strong network connectivity, empowering lives and transforming India into a digitally inclusive nation.

Here are glimpses of our efforts that not just have helped us become efficient, and reduce time, cost and resources, but have also contributed to our sustainability journey.

1

### Calls and Alerts

- Transforming Manual Calls into Rule-Based Robocalls. As a result we can swiftly reach a large customer base, ensuring timely communication while optimizing resources.
- Streamlining Line Monitoring with Automated Robo Servers enabling us to address problems swiftly, minimizing downtime and enhancing the overall reliability of our networks.
- Real-Time updates through Auto SMS and Email integration.

We have transitioned to the next level of automation and revolutionized our approach.

2

### Trouble Ticket

- Streamlined workflows with Automated Mobile App Integration–From ticket assignment to resolution. This digital solution enables seamless collaboration, efficient task management, and rapid issue resolution, ensuring minimal downtime and maximum customer satisfaction.
- Field teams can now capture essential inputs directly through the mobile app. These inputs seamlessly flow back into our centralized system for processing, analysis, and subsequent action. This closed-loop approach optimizes efficiency, improves accuracy, and expedites the troubleshooting process.

3

### Self Help

**Real-Time Alarm Status with USSD Codes on Mobile Devices**

Empowering our customers with self-help capabilities, we have enabled USSD codes that provide real-time alarm status directly on mobile devices enabling them to stay connected and informed.

4

### Automation

**Automatic Scheduling of Preventive Maintenance for All Site Types**

To ensure the reliability of our infrastructure, we have implemented automatic scheduling of preventive maintenance for all site types thereby minimizing disruptions and making our infrastructure resilient.

**Tool-Based Inventory Management with Oracle EAM Integration**

This digital solution streamlines inventory tracking, procurement, and asset management, ensuring accurate records and efficient resource allocation.

5

### Forecast

**Monthly Battery Bank Backup Forecasting**

Through advanced forecasting techniques, we now provide month-on-month battery bank backup forecasts, ensuring an uninterrupted power supply.

**Predicting Fire-Prone Sites**

Harnessing the power of data analytics, we have developed models to identify fire-prone sites. This allows us to take preventive measures, implement fire safety protocols, and ensure the safety of our infrastructure and local communities.

**Site Downtime Predictions within the Next 8 Hours and Root Cause Analysis**

## Driving Warehousing Excellence

Our warehousing capabilities form an integral and critical part of our manufactured capital. To enable our customers to reduce their time to market, we ensure quick turnaround time to roll out our infrastructure, which is supported by our warehouse efficiency.

We believe that to build business resilience and have an agile system, it is imperative to embed ESG not only into the operations but across the organization. A testimony to our efforts of integrating ESG across our business is that 7 of our warehouses have earned the prestigious titanium certification, which signifies our commitment to excellence and the integration of green concepts.

The titanium certification process comprehensively evaluates various aspects of our warehouses, including administration, infrastructure, operations, technology, risk and safety. It provides a holistic assessment of our overall functionality and grants qualitative grading based on industry benchmarks.

Some of our other warehouses have prestigious gold and platinum certifications. To maintain our position as a leader in warehouse management and ensure a robust supply chain, we are working to achieve the titanium certification for our remaining warehouses in the future.


**22**
Warehouses operated across India

**7 warehouses**
Titanium certified from the Confederation of Indian Industry (CII)

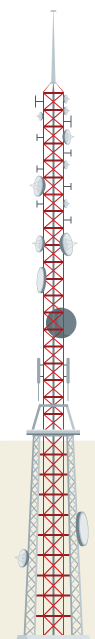
**452,088 liters/year**
Water saved with the initiative of reusing RO wastewater.

**100%**
Natural lighting during the day

**Natural**
Rooftop ventilation

**44,226 liters/year**
Diesel saved through the use of electric MHEs at warehouses resulting in reduced carbon footprint

From energy-efficient infrastructure to waste management strategies and water conservation measures, we ensure that our warehouses embody environmentally responsible practices. We are continuously innovating and enhancing our warehouse practices, thereby setting new industry standards and inspiring others to follow suit.



As India's leading tower infrastructure Company, we are primed to leverage the telecom sector's surge in demand and consolidation. Our focus is on implementing automation to streamline operations and enhance efficiency across the value chain. Embracing sustainability, we are committed to building eco-friendly sites and delivering seamless connectivity to our customers.

# Intellectual

## Capital

At Indus Towers, we are driven by our commitment of delivering unparalleled, innovative solutions to our customers, setting us apart in terms of quality, reliability and affordability. We take pride in our exceptional leadership, intellectual capabilities, commitment to excellence and established processes that keep us ahead of the curve and enable us to sustain our leadership position.

**By leveraging our vast intellectual capital, we continuously transform and improve our offerings, ensuring that we remain a preferred partner to our customers.**

## Year at a glance

Engineered unique lighter tower designs

**14** New products and **2** New energy solutions introduced

Achieved **tower weight reduction** of 12.47% contributing to our target of resource efficiency

**Adoption of greener and more effective power storage solutions,** including Lithium-ion and Lithium-ion + VRLA combo batteries with remote monitoring capabilities.

**Digital orchestration**

- Achieved a 100% conversion of calls from man to machine.
- Dashboard for Real Time Network Status on the Go.

**2,920** ideas submitted to Indus Idea Incubator, driving innovation across all levels

**5G** – Made significant progress in implementing 5G nodes with completion of over 42.7K Co - locations

**ZERO** Security breaches

**32** campaigns and tips on Information security and raising awareness

**Total 32 new digital solutions delivered** during the year to cater to emerging business needs and challenges broadly contributing to:

**Faster rollouts** – Solutions to drive multifold increase in our New Build throughput and reducing the TAT.

**Operations simplification and digitization** – Projects delivered on our Field Force Platform (iMAPP) enabling our TOC Team to respond quickly and efficiently and drive Uptime and Customer Satisfaction.

**Safety** – Several digital modules were built on iMAPP to ensure compliance to Safety and ESH processes, contributing to reduction in number of incidents.

**Technology and Quality** – Solutions for automation of Tower Maintenance and Quality Assurance.

**Cost Management including Capex Management** – By automating the flow of inputs through various systems, capturing variances from standard and making them easily visible to be able to drive management actions on these variances.

**99.45%** employees undertook the training on Information Security Management System

**ISO 27001:2022 AND ISO 27017:2015**
Indus is one of the very few companies to migrate to ISO 27001:2022 from ISO 27001:2013

**Material issues**

- Technology and innovation
- Data and cyber security

**Commitments & Targets**

- Innovative and sustainable solutions
- Re-engineering unique lighter tower designs and storage solutions resulting in resource efficiency
- Digital transformation

**SDGs**

7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities

## Way forward

Continuing simplification and standardization of our systems and **adopting digital solutions** to automate the manual processes

Implementing digital solutions to **enhance our systems** with self-healing automation capabilities.

**Digital intervention in our partner and supplier eco-system** to improve productivity through **reduction in cycle time for work acceptance,** timely completion and better resource mobilisation

**IoT-based tower structural analysis** and diagnostic tools to enhance the monitoring and assessment of infrastructure

Setting up the **largest real-time telemetry data system** for robust network management.

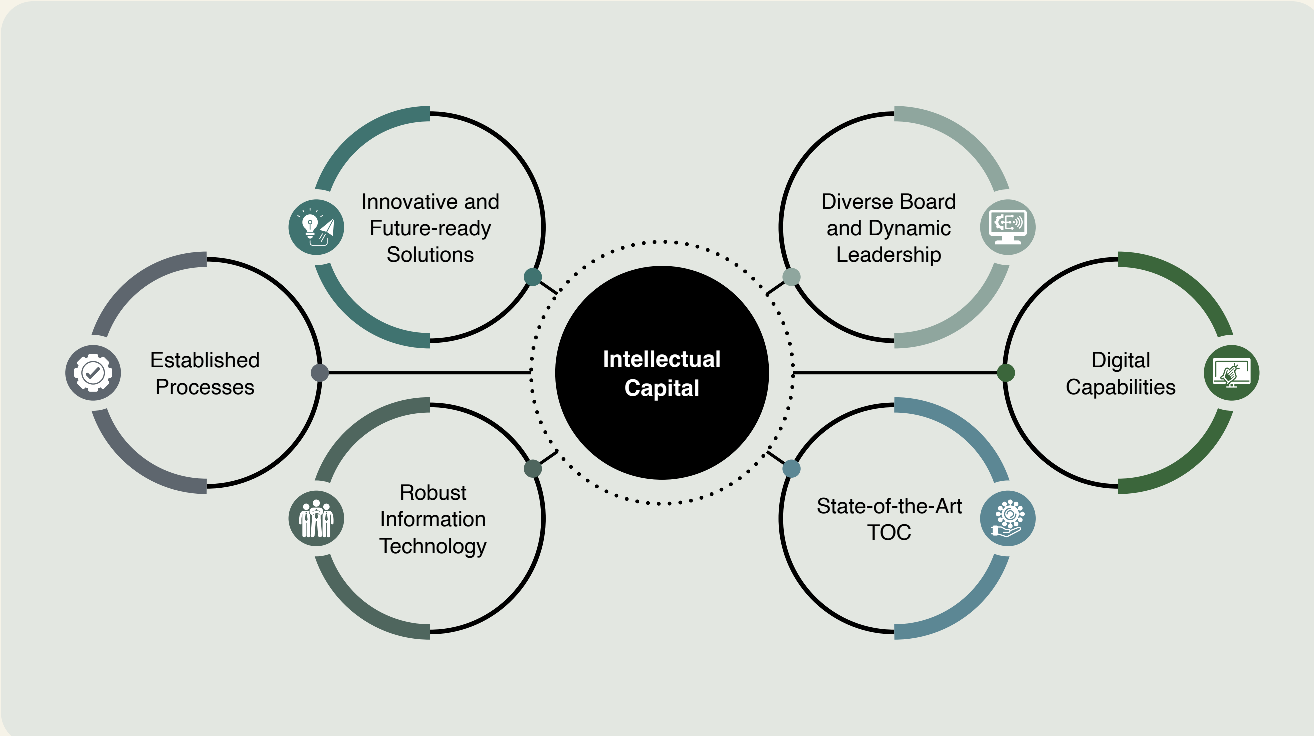
Exploring an augmented **reality-based visual verification tool** for preventive maintenance

Use of **drones** to provide detailed information about installed equipment, corrosion, the surrounding area, and other site-specific factors.

**Implementation of NAC (Network Access Control)** to further strengthen our defense against cyber crimes

**Evaluating an AI-enabled chatbot** for providing real-time analytics and support on the go

Our Intellectual Capital encompasses:




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

Holding the reins of a sustainable future for Indus Towers is a diverse and dynamic 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 dedicated to steering Indus towards a better and greener future.



## Process Excellence

Our dedication to enhancing the customer satisfaction, and quality management has led us to win the prestigious 'Deming Prize 2018.' Through subsequent evaluations, we have demonstrated the robustness of our processes and practices. Our relentless focus on exceptional quality management have helped us sustain our performance and uphold commitment to excellence.

Our journey of process excellence enables us to drive a culture of quality management across the organization. Process Excellence is a systematic approach that helps us ensure customer satisfaction, quality, and organizational speed and optimize the cost of doing business under the overarching umbrella of Total Quality Management (TQM). We continue to leverage various improvement methodologies under TQM such as Lean, Six Sigma, BPM and solutions through digitalization. Over the years, we have been evaluating ourselves through a dynamic and interactive process excellence scoring system.

To encourage knowledge sharing and keep our people acquainted with various processes and protocols, we have established an online repository of various processes at Indus.

**573**
**SOPs were created and refreshed**

**320**
**Processes were refreshed**

## Indus Idea Incubator – Making Ideas Happen

The 'Indus Idea Incubator' is a dedicated platform established to promote new ideas within the Company. The ideas submitted undergo a thorough evaluation based on various criteria such as originality, alignment with the Company's core values, relevance to departmental objectives, feasibility and potential impact. Employees who contribute unique ideas are acknowledged and rewarded.

We believe that any idea regardless of its magnitude, that can generate a positive impact in any form or value is of utmost importance to our organization.

**2,920**
**Ideas submitted this year**

**1,952**
**Ideas approved this year**

**647**
**Yellow belt projects**

**12**
**Green belt projects**

**188**
**Replications closed**

**₹771.27 crore**
**Benefits occurred during the year**

# Tower Operations Center (TOC)

At Indus, our Tower Operations Center (TOC), is dedicated to delivering exceptional stakeholder experiences throughout our extensive telecom network across India. With our vast operational footprint spanning 22 telecom circles, our TOC stands as the largest operations center in the NOC industry, overseeing more than 200 Operations Support Systems. Our comprehensive NextGen services encompass various critical business functions.

Through centralized operations, we provide real-time actionable insights to our field personnel, promptly alerting them via automated calls and SMS.

We take pride in our Cloud-based call center, which enables swift and efficient customer service across all telecom circles. Our call monitoring capabilities in real-time facilitate optimal call management, while our comprehensive historical data on each site supports operational efficiency and effectiveness.

**100%**

TOC application uptime

Our TOC operates round the clock, ensuring continuous surveillance of all Indus' telecom sites nationwide.

## Transforming Telecom Operations with NextGen Efficiency and Seamless Connectivity

**End-to-end tower management solution**

Comprehensive end-to-end tower management solution encompassing maintenance, tracking, and sustainable energy practices, driving operational efficiency.

**Real-time analytics**

Integration of real-time analytics providing data-driven insights into tower operations, control, monitoring, and energy utilization, empowering informed decision-making.

**Single point contact**

Centralized single point contact acting as a hub for all circles, enabling seamless real-time data transmission and swift corrective actions, thereby reducing response time.

**Safety-focused operations**

Uncompromising focus on safety with 24x7 prioritization of employee, partner, and technician well-being, ensuring a safety-centric approach in all aspects of tower operations.

**Seamless communication with landowners**

Streamlined communication with landowners through efficient tracking and resolution of incoming complaints, fostering effective dialogue and cultivating positive relationships.

**Billing process optimization**

Optimization of billing process flow to minimize issues and enable timely corrective actions, enhancing operational efficiency and ensuring smooth financial transactions.

**Automated surveillance and fault alerts**

Automated surveillance services coupled with fault alerts via calls and SMS notifications, offer continuous monitoring and actionable insights for efficient tracking and maintenance of network infrastructure.

**Cloud-based call center**

Cloud-based call center facilitating prompt service delivery across all circles, featuring real-time call monitoring and enhancing operational efficiency.

**Integrating man and machine**

Harnessing technology-driven efficiency by integrating human expertise and machine capabilities through the utilization of artificial intelligence (AI) and machine learning (ML).

**Enhanced visibility into tower performance**

Enhanced visibility into tower performance providing valuable insights for optimized operations and sustainable resource utilization, promoting efficiency and environmental stewardship.

### Key highlights

Central TOC escalation compliance significantly improved from **99.45% to 99.99%.**

Fire prediction and site-down trouble ticket closures showed a remarkable improvement from **92% to 98.5%.**

NON-DG alarm compliance increased from **89.6% to 97.00%.**

The quality of root cause analysis (RCA) improved from **48.1% to 74.4%.**

SLA penalty reduced **significantly** year-on-year

# Future-Ready Solutions and Products

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 a strategic priority of Indus Towers, and our ever-evolving product portfolio reflects the same.

## 1 Strategies for sustaining effective market leadership

In the past year, our focus was on expanding our product portfolio, creating an edge over the competition, and implementing unique processes to enhance efficiency and governance.

**Expanding product offerings** - We have introduced new product variants in the ground-based product line, with tower height and DC power variants. These innovative offerings make the Company's products more lucrative for customers and give us an edge over competitors.

**Add-on features for enhanced customisation** - Indus has been working with customers in adopting new-age technology for better and greener solutions such as Solar, VRLA, and Lithium battery addition, allowing customers to tailor their infrastructure solutions to site-specific requirements. These add-ons contribute to energy optimisation and uptime enhancement.

**Developing Efficient and Compact Infrastructure Variants** - We have developed lighter tower and pole designs, which reduces weight and allows deployment in smaller footprints. We have also introduced a new electrical product that integrates power equipment with Solar in a single footprint, reducing integration time and cost.

## 2 5G: Increasing capabilities

As the nation is embracing the adoption of the next generation of technology, Indus is playing a pivotal role in the successful rollout of 5G. We deployed the necessary infrastructure and upgraded existing towers to support the widespread adoption of 5G technology by our customers.

We have made significant progress in implementing 5G nodes, with over **42.7K RFAI** completed and the rest in progress. We faced various challenges during this implementation, including installation and speed of delivery, and have taken strategic actions to overcome them. This includes designing versatile mounting arrangements, setting up region-wise fabrication partners, and establishing efficient monitoring and coordination systems.

In terms of the opportunity for Indus from 5G, the initial benefits are in the form of revenue from additional loading. With an increase in the adoption of 5G services, there will be a need for more capacity, which will eventually raise the demand for setting up new towers.

The top two operators of the Country have launched 5G services in more than 100 cities and are planning to complete the urban coverage in India by 2024. At Indus, we remain steadfast in our commitment towards facilitating the rollouts by the operators.

While India has made significant progress in adopting 5G technology, there are still challenges to overcome. However, with the Government's focus on digital transformation and collaborative efforts by industry players, India is poised to embrace 5G technology and unlock its potential for economic growth, innovation and societal development.

### Real-Time Site Solutions

**Enabled** integrated antenna units through suitable mounting modifications

**Accomplished** site access requirements with strong project management services at each circle

## 3 Powering Smart Cities

Our vision of transforming lives by building sustainable digital infrastructure is aligned with the Government's vision of 'Digital India'. We engage with the Government and support its various initiatives to achieve the national aspiration of a 'Digital India'. As a significant player in the industry, we have played a pivotal role in the smart city initiative launched seven years ago.

These projects encompass the implementation and maintenance of intelligent poles, the provision of Wi-Fi services, and digital billboards, and the establishment of central command integrated optical fiber networks that cover entire cities.

**4**

**Smart cities projects**

**277**

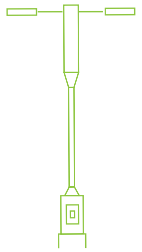
**Smart poles installed (In New Delhi, Vadodara, Gurugram, Bhopal and Dehradun)**

**600 kms**

**Fiber length across smart cities as well as Gurugram and Mumbai**

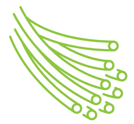
> With a focus on upskilling capabilities and preparing for the 5G era, we actively upgraded systems and facilities nationwide, while exploring solutions like shared/multiport antennas to meet growing demand.

## 4 Other Next-Gen Solutions



### Smart Poles

We have made significant strides in deploying smart poles with advanced features, aiming to transform urban areas into smarter, connected environments. With a focus on upskilling capabilities and preparing for the 5G era, we actively upgraded systems and facilities nationwide, while exploring solutions like shared/multiport antennas to meet growing demands. The future holds great potential for Fiber to the Home (FTTH) passive networks, promising high-speed broadband opportunities, aligning with our commitment to building a robust network infrastructure.



### Optical Fibers

We recognized the opportunity and swiftly focused on optical fibers, supporting India's digital transformation and meet growing demands for 5G technologies. By deploying fiber at cell sites, we optimized operations, reduced costs, and contributed to a more environmentally sustainable approach. Looking ahead, Indus Towers remains well-positioned to capitalize on India's digital growth and drive the nation towards a connected and prosperous future.

### Small Cells

Deploying small cells in densely populated areas improve network capacity and coverage. The future opportunity for us lies in expanding our small cell portfolio and developing scalable models for smart cities, integrating digital infrastructure with existing facilities. This will support the growing demand for high-speed data and seamless connectivity across urban and rural regions, aligning with India's goal of nationwide robust connectivity.

### IoT

We achieved remarkable progress in leveraging cutting-edge 5G and IoT technologies to optimize energy consumption, thereby achieving enhanced operational efficiency and notable reductions in emissions. This innovative approach has strategically positioned us to seize upcoming prospects, offering sustainable IoT-based energy management services to diverse industries. This pivotal move further cements Indus Towers' leading position in the telecommunications sector, underscoring our commitment to driving transformative solutions for a sustainable future.

## 5 Sustainable Solutions - Building a Greener Tomorrow

With our commitment to decarbonizing our operations and building a sustainable future, over the years we have been pioneers in implementing various innovative solutions viz. solar energy solutions, Li-ion+VRLA batteries. These solutions have helped us reduce diesel consumption, and provide enhanced energy backup solutions thereby contributing to climate change mitigation and resource preservation. We have been actively investing in energy-efficient technologies and implementing green initiatives.

In our pursuit of greener tomorrow, our latest initiatives/ pipeline projects include:

### Solar-Wind Hybrid Solutions

We are exploring solar-wind hybrid solutions. These integrated systems are designed to optimize the utilization of renewable energy sources and significantly reduce our reliance on conventional energy sources. This initiative will support non-grid sites and contribute to our long-term vision of creating a more sustainable future.

#### 1 How it Started?

In the previous fiscal year, we assessed the feasibility and benefits of solar-wind hybrid solutions through investigations into the technical, economic, and environmental aspects.

#### 2 Supporting Non-Grid Sites

One of the primary objectives of our solar-wind hybrid solutions initiative is to provide clean and reliable energy to non-grid sites. By leveraging the complementary nature of solar and wind energy, we aim to ensure a continuous power supply even during periods of low solar radiation or wind speed.

#### 3 Enhancing Technological Capabilities

We continue to invest in research and development to optimise the performance, efficiency, and affordability of these systems. By doing so, we aim to refine our offerings and expand our reach in the renewable energy market.

#### 4 Environmental and Social Impact

By harnessing clean and renewable energy sources, we strive to reduce our carbon footprint, minimise the impact on natural resources, and contribute to the global effort against climate change. Additionally, the deployment of these solutions in non-grid sites will foster local economic development and improve the quality of life for communities currently lacking access to reliable energy sources.

## Development and Rollout of Eco and Eco-Lite Solutions

We continue to augment our product portfolio with newer, lighter, eco-friendly and viable solutions resulting in resource optimization and a lesser carbon footprint. The Eco and Eco Lite solutions have been widely accepted and appreciated in rural areas. To meet the growing demand in rural areas, we have introduced 5 more variants in the category.

## Key Collaboration

As we focus towards adopting energy conservation and environment-friendly technologies, we are assessing Aluminium-air energy solutions from a technology partner. The energy solution is 100% clean (no polluting emissions), quiet and with a longer lifetime than VRLA batteries. We are in the process of undertaking a pilot of this new solution. After testing its viability, we will aim to replace the DG sets from the sites, wherever feasible.

This ambitious project aligns with our 'Shut DG' vision, already underway. We have deployed several PNG-based gensets. We plan to validate the feasibility of retrofitting gensets to facilitate a smooth transition from diesel-based to aluminium-based gensets.

### Collaborative Projects

Indus has established consultancy projects with premier institutions including **CECRI and FIIT Delhi** in the field of battery/ storage solutions and structural studies for the impact of corrosion on tower structures.

# Accelerating Digital Capabilities

## Digital orchestration

In this ever-evolving digital landscape, integrating and orchestrating different digital components, such as software applications, data sources, cloud services, and communication channels have become imperative.

Our digital orchestration initiative is revolutionising the way we approach building management and operations. We are focusing on digital orchestration under five verticals – Site Solutions, Operations, New Build, Visual Management & Remote Diagnostics, and Finance/Energy Billing.

## Building Management Vertical Development

To develop the building management vertical under digital orchestration, we are introducing a digital war room as the central hub for digitising all processes involving the following actions:

- Digital sourcing for material planning, reducing procurement time and increasing cost-efficiency.
- Streamlining ISQ/SRM processes to enhance communication and collaboration.
- Implementing iAcquire accelerating site acquisition and compliance.
- Utilising iDeploy and iAssure for daily updates from the field, and JMS automation, ensuring seamless site deployment and assurance.
- Integrating ERP with Auto BOQ, PO amendment, and WCC automation, improving financial management and cost control.

The digital war room serves as the nerve center for building management, streamlining processes and driving automation.

Through digital orchestration, we aim to optimize processes, integrate systems, enhance agility, improve customer experience, enable data-driven insights, foster collaboration and strengthen security. These efforts will empower us to harness the full potential of digital technologies, adapt to changing needs, and drive sustainable growth in today's digital age.

## Leveraging Digital Twin Mechanism

We will harness the power of the digital twin to further enhance building management and operations. This innovative technology offers many benefits:

**Site Access Management:** Plan, approve, and monitor all site visits for improved security and compliance.

**Revenue Reassurance:** Perform real-time tracking of antennas and other equipment installed on a tower, ensuring that contract escalators are triggered as necessary.

**Accurate Asset Inventory:** Maintain an up-to-date record of asset movement and inventory, streamlining asset management.

**Preventive Maintenance:** Implement proactive maintenance plans for operations, reducing downtime and enhancing efficiency.

**Colocation Management:** Maximise site-sharing opportunities and optimise capacity at the site or portfolio level.

## Innovation And Technology Adoption

Our ongoing focus on incremental and radical improvements in processes, products, services, and technologies has enabled us to deliver uninterrupted telecom connectivity, exceed customer expectations, and create positive outcomes.

We have made significant progress in the past year and attribute our achievements to our talented team and commitment to excellence.

1

### Image and Video Analytics Integration

We have successfully integrated state-of-the-art image and video analytics into our operating platforms, leading to a noticeable improvement in overall efficiency and more effective real-time monitoring and management.

2

### Context-Sensitive Help for End Users

Our introduction of context-sensitive help provides real-time, in-application guidance on critical processes for our end users, fostering an environment of support and driving productivity throughout the organisation.

3

### Expanded Cloud Footprint

By significantly increasing our cloud footprint, we have enhanced our systems' capacity to handle transactions at scale and reduced time spent on administrative tasks like patching. This allows us to concentrate on core business objectives and deliver an unparalleled level of service to our customers.

# Robust Information Technology

Our IT capabilities empower us to manage our distributed network infrastructure and operations efficiently, deliver high-quality services, and enable data-driven decisions to improve our performance. By supporting various stakeholders and functions, our IT team enables solutions to emerging business needs and challenges.

During the fiscal year 2022-23, the note-worthy actions/ solutions that helped us adapt to the evolving needs of the telecommunication industry are as follow:

1

### Streamlining Operational Process

To meet the growing needs of our customers, we focused on process improvements and digitization. By leveraging technology, we automated manual procedures, improving the speed and precision of the process, resulting in faster and more efficient site deployments.

2

### Strengthening IT Infrastructure

Recognizing the necessity of a robust IT infrastructure, we invested prudently to revamp our systems, facilitating effective communication and uninterrupted delivery of services to our customers. This included boosting our network bandwidth to ensure uninterrupted system availability and optimal performance across the organization.

3

### Simplifying Material Movement and Inventory Control

In our pursuit of operational excellence, we simplified material movement and inventory control substantially. By leveraging best-of-breed technologies, we streamlined processes, improved operational efficiency, optimized resource allocation, reduced waste, and exercised better control over inventory and assets.

4

### Revamped Systems Amplify Throughput

A series of substantial upgrades were executed across Field Management, Order Management, and Enterprise Resource Management systems, resulting in notable improvements in delivery throughput. These enhancements focused on streamlining operations and maximizing operational efficiency, leading to seamless and accelerated delivery processes. A few highlights:

- **e-Offerance** (Digitized process of offering the site quality through video calling to TOC)
- **Project 3D** (Daily Deployment Diaries) helps in tracking daily work done in each stage and planning for the next stage

### Key IT Applications

- iSQ (iSmartCube)
- ERP (Enterprise Resource Planning)
- iMapp (Field Force Management)
- DSS (Decision Support System)
- TeMIP, Remedy and UCC (Tower Operations Management)

## Information Security

The security of our assets, platforms, and data is critical to our organisation. To strengthen our security measures, we have established a comprehensive strategy, encompassing:

**Investing in Cutting-Edge Software and Equipment**

We recognize the significance of best-in-class technology in maintaining robust information security. Consequently, we have made substantial investments in advanced software and equipment to detect threats and mitigate risks.

> Through initiatives such as Cyber Security Awareness Month and Information Security Awareness Week, we foster a culture of vigilance and educate people about threats.

**Consistent Process Improvement and Policy Tightening**

To adapt to the evolving threat landscape, we consistently strengthen and tighten our security measures. Through rigorous assessments and evaluations, we identify areas for improvement and make necessary adjustments. This iterative approach ensures our agility, adaptability, and resilience in the face of emerging cybersecurity challenges.

To strengthen our security framework, we have taken a strategic approach and successfully implemented a Security Operations Centre (SOC). This robust center encompasses comprehensive incident and event management processes, effectively addressing potential threats and vulnerabilities. In doing so, we not only safeguard our valuable assets but also foster a secure environment for our business operations.

**Raising Awareness and Empowering Users**

Information security is a shared responsibility. Thus, we prioritize educating all users, including employees, associates, and partners who use our systems and infrastructure. Through initiatives such as Cyber Security Awareness Month and Information Security Awareness Week, we foster a culture of vigilance and educate people about threats. By conducting spear-phishing exercises and cyber-attack simulations, we empower users to identify and respond efficiently to security breaches.

**Breach Management**

We continue to maintain a strong focus on data security, exemplified by our proactive response to two potential breaches reported to CERT-IN. In both instances, the breaches did not originate from our systems, and we took prompt action to mitigate any potential impact on our operations.

**Cyber Crisis Management Plan**

Our comprehensive Cyber Crisis Management plan provides a structured framework with defined roles and responsibilities. This plan ensures that during times of crisis, we can swiftly and effectively stabilize the situation until normalcy is restored.

Our commitment to information security, coupled with proactive measures, diligent policies, and user empowerment, enables us to maintain the highest standards of data protection. These highlights reinforce our dedication to safeguarding our systems, infrastructure, and, most importantly, the trust of our customers and partners. As part of our ESG agenda, we have a strong focus on cybersecurity, reflecting our commitment to responsible and sustainable business.

**ISO 27001:2022 AND ISO 27017:2015**

**Certified**

**Zero**

**Security Breach**

**Took down**

**11**

**fake domains, apps, and social media pages**

**32**

**Security tips were released in FY23**

## Intellectual Property Rights

To maintain and protect our intellectual property, we have implemented a three-pronged strategy:

**1 Investment**
in state-of-the-art software and equipment to safeguard our proprietary technology

**2 Implementation**
of controls to ensure that we do not infringe on other IPs, thereby mitigating potential legal risks

**3 Continuous**
improvement and tightening of processes and policies to protect information and assets from internal and external threats, whether deliberate or accidental

We remain committed to creating sustainable digital infrastructure by investing in our intellectual capital. This includes competency development in new technology areas of power management, storage, structural engineering, IOT/ AIML platforms and digital operation. We will collaborate with established OEM partners to develop tailor-made solutions for Indus' operations. We thus aim to establish a solid foundation for the country's digital infrastructure, while delivering on our commitment to environmental sustainability and governance goals of the organization.

# Natural

## Capital

At Indus Towers, we are scaling up our green initiatives to grow our business sustainably while enabling pan-India connectivity. We recognize that the telecommunication industry plays a significant role in shaping a sustainable future, and we are committed to being at the forefront of this transformation.

**By integrating renewable energy, promoting energy efficiency, embracing infrastructure sharing, managing waste responsibly, and engaging with stakeholders, we are committed to driving positive change, contributing to a greener future, and creating long-term value for all stakeholders.**

## Year at a glance

Made our ESG commitments public. Developed a detailed strategy and set internal short-term targets for environmental issues

Took measures to reduce fuel consumption and improve energy efficiency through various initiatives such as augmentation of storage solutions and electrification of non-electrified towers. Steps were taken during the year to increase the share of renewable energy

Invested
**~ ₹1,191 Mn.**
Capex towards energy efficiency and decarbonization initiatives

As on March 31, 2023:

Total **1,496** installed solar sites

**81** - PNG sites

**54,947** - DG free sites

**88%** - Total Outdoor sites

**80,993** - Low diesel consumption sites

GHG (Scope 1 & 2) emissions FY 23 –
**6.4 Mn** $tCO_{2}e$
**8%** compared to FY 22

Completed baselining of Scope 3 (indirect) GHG emissions which is **2.07 Mn** $tCO_{2}e$ as of FY 23

Reduction in carbon intensity (Scope 1 &2) by **~13%** per tower and **~10%** per unit of revenue

GHG emission reduction forms part of KPI **linked to remuneration**

**100%**
recycling of battery and e-waste

Increased employee engagement and participation toward a greener future – Sapling and tree plantations, recycling drives, carpool initiative

### Material issues

- GHG Emissions
  - Green House Gas emissions
  - Energy Management
  - Opportunity in clean technology
- Waste Management
- Water Management

### Commitments & Targets

- Net-zero greenhouse gas emissions by 2050
- Expansion of Renewable Energy portfolio
- Zero Waste (reduce/ reuse/recycle 100% of waste)

### SDGs


## Way forward

**Validation** of our medium term and net-zero targets by SBTi

Work on a detailed decarbonization roadmap and climate transition plan

Enhance transparency and build climate resilience, by adopting climate related financial disclosures and identifying climate related risk and opportunities.

Engage with supply chain to enhance ESG disclosures to ensure comprehensive calculation of their carbon footprints and take strategic decisions.

Waste management- Implement Tier 2 reporting of recycling throughput.

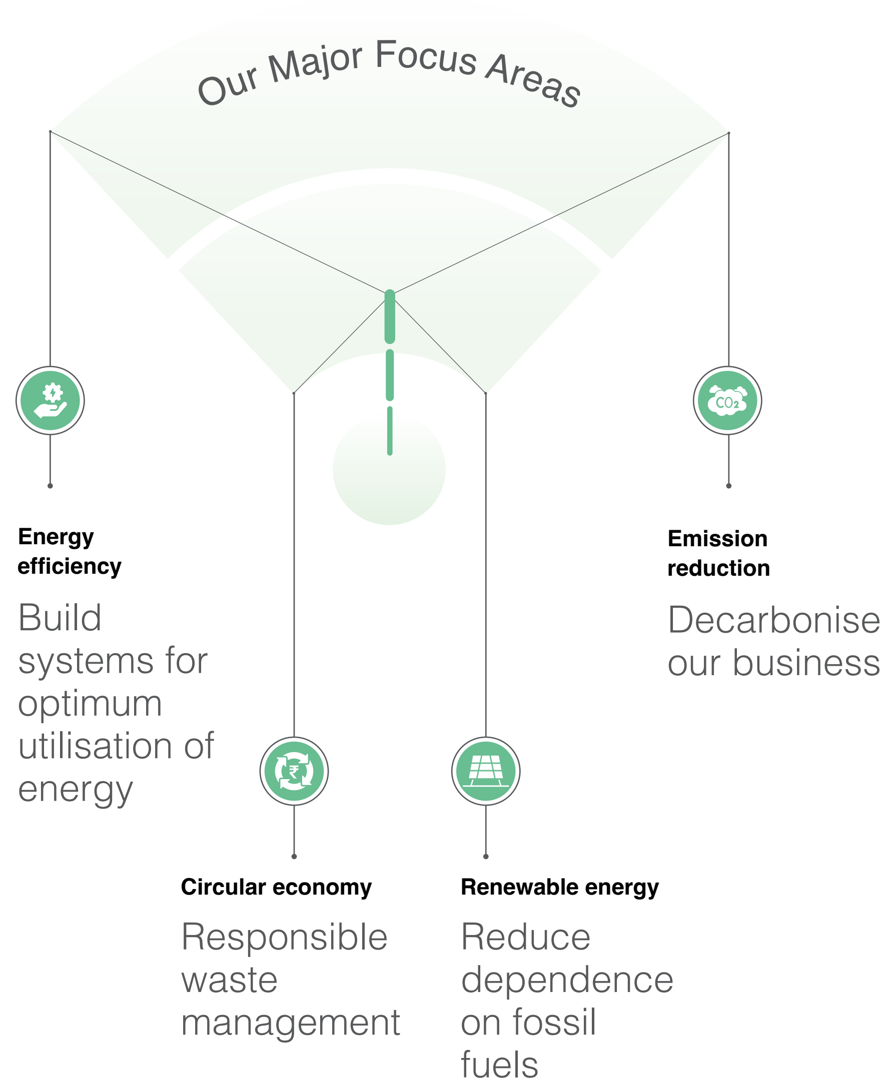
Conduct audit of major scrap buyers

Explore **collaborations and tie-ups** to undertake pilot for green power solutions.

Focus on Scope 3 including green travel

# Inherently Sustainable Business Model

With our inherently sustainable infrastructure-sharing business model, we are paving the way for a greener future. Our business model enables synergies and fosters optimal utilization of resources such as land, material, power, and field force, minimizing the duplication of infrastructure cost and resulting in lower carbon emissions. Being cognizant of the fact that telecom is an energy-intensive sector, we are constantly steering and adopting measures to reduce our environmental impact.




## Battling Climate Change Through Emission Reduction

As the demand for connectivity grows, so does the energy consumption on the telecom towers and associated infrastructure. In this landscape, it becomes imperative that as we accelerate our growth story, we leave no stone unturned in combatting climate change and ensuring environmental sustainability.

With a belief that our efforts can make a positive contribution to the global emission reduction goals, we have joined the growing movement against climate change and have made a commitment to net-zero greenhouse gas emissions by 2050 in line with climate science with the Science Based Targets initiative (SBTi).


**Net-Zero**
**Greenhouse Gas Emissions by 2050**

**in line with climate science with SBTi**

We are working on a long-term plan to decarbonize our operations. In this direction, as immediate steps, based on the technology and opportunities available in the foreseeable future, we have identified key projects and have set clear and measurable short to medium-term internal targets. We will continue to identify path-breaking technologies and solutions to accelerate our journey of emissions reduction.

This year we have undertaken various measures to optimize and reduce our diesel usage, increase the share of renewable energy and improve energy efficiency which has resulted in positive outcomes.

### Scope 1 and Scope 2 emissions

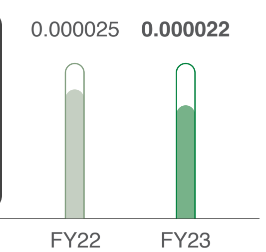
**Total Scope 1 emissions**
Metric tons of CO2 equivalent

| FY22 | FY23 |
|---|---|
| 849,689 MT | 802,509 MT |

**Total Scope 2 emissions**
Metric tons of CO2 equivalent

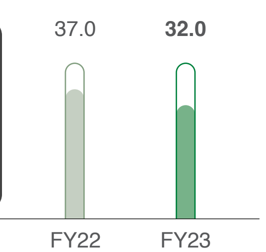
| FY22 | FY23 |
|---|---|
| 6,048,650 MT | 5,567,995 MT |

**Scope 1 and 2 GHG emissions per unit of Revenue** (MT/Rs)




~10% Reduction in Scope 1 and 2 GHG emissions per rupee of revenue compared to FY 2021-22

**Scope 1 and 2 GHG emissions per Tower** (MT/Tower)




~13% Reduction in Scope 1 and 2 GHG emissions per Tower compared to FY 2021-22

### Scope 3

With an aim to have a more holistic and responsible approach to addressing carbon emissions, this year we have done a baselining of our indirect (Scope 3) GHG emissions. We believe that sustainable supply chain management is a must for future-proofing of business.

| Scope 3 Category | Emissions (tonnes CO2e) FY23 |
|---|---|
| Purchased goods and services and capital goods | 225,509 |
| Fuel and energy related activities | 1,792,563 |
| Upstream transportation | 40,938 |
| Waste generated | 1,105 |
| Business travel | 6,279 |
| Employee commute | 2,798 |
| **Total** | **2,069,193** |

*Note: The emissions inventory has been developed in accordance with 'The GHG Protocol-A Corporate Accounting and Reporting Standard'.*

To improve transparency in the supply chain, during the year we have also engaged with our major suppliers to understand their awareness and disclosure practices on carbon emissions and other ESG parameters. We are committed to collaborating with our stakeholders including suppliers and customers, to collectively address sustainability challenges.

# Encouraging Renewable Sources of Energy

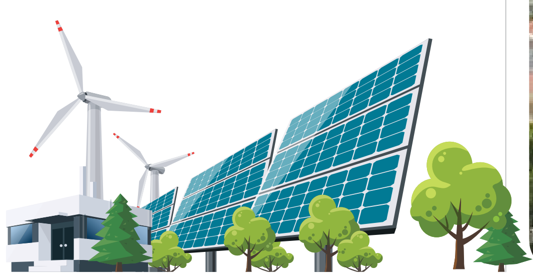
To meet the soaring data demand and the 5G roll-out, there will be a need to densify the networks. This will result in higher power consumption leading to increased carbon footprints. To make a meaningful impact, increasing the share of our renewable energy portfolio will be a significant lever in our decarbonization journey.

**Focused on our aspiration of becoming a green entity, we take pride in our green initiatives:**

### 1 Solar Intervention for Distributed and Micro Grid

- We **have 1,496 sites equipped** with solar infrastructure. These sites have a mix of operational and non-operational installations. We have a plan to roll out solar installations on a significant number of sites in the upcoming fiscal year.
- **213 sites are powered by solar/wind microgrids.** These microgrids enable us to decentralize power generation to localized renewable energy generation, ensuring a reliable and sustainable power supply for remote or off-grid locations.

  Microgrids have been successful interventions and more sites are under exploration. However, the lack of suitable land for the installation of solar and wind plants, right-of-way issues, and the limited number of industry players are a few challenges that we will have to overcome.



### 2 Piped Natural Gas

**We have completed a pilot of installing Piped Natural Gas (PNG).** The outcome is encouraging, and we will be scaling it up. However, there are some challenges due to the limited availability of city gas distribution networks, minimum consumption guarantees, right-of-way challenges, and space constraints which we will address as we go along.

**80+**

**PNG sites**

### 3 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.

### 4 Wind Solutions

As we embark on our journey towards a diversified and sustainable renewable energy portfolio, we are exploring a Solar plus Wind Hybrid pilot project. This initiative symbolizes our commitment to pushing the boundaries of innovation in clean energy solutions, paving the way for a future where renewable sources power our world.

### 5 Exploring Opportunities Under Green Open Access And Group Solar Net-Metering

- To accelerate India's renewable energy programs, during the year, the Ministry of Power has made encouraging amendments to the Green Open Access rules. The recent clarifications issued thereunder signify that this opportunity can be beneficial for Indus. We are exploring the feasibility – commercial, technical and other nuances of leveraging this opportunity.
- We are also exploring group solar net-metering in the Delhi Circle to harness solar energy through a collaborative framework, facilitating the adoption of renewable sources on a larger scale.

### 6 Aluminum Air Technology

We are currently in the pilot stage of implementing Aluminum Air Technology, which is a ground-breaking solution. This innovative technology can revolutionize energy storage systems, offering an efficient and eco-friendly alternative to traditional batteries.

This energy solution is 100% clean (no polluting emissions), quiet and with a longer lifetime than VRLA batteries. We are in the process of undertaking a pilot of this new solution. After testing its viability, we will aim to replace the DG sets from the sites, wherever feasible.

In our commitment to continually increasing the Renewable Energy share in our overall energy mix, we look forward to leveraging various opportunities and entering into new collaborations that can deliver breakthrough results to address climate issues.

# Energy Efficiency

Prioritizing energy efficiency is vital to achieving our decarbonization targets. We have laid energy-efficient strategies that will help us lower carbon footprints, reduce energy costs, and optimize infrastructure utilization levels without affecting our economic progress.

**Following are the significant initiatives undertaken to optimize energy efficiency:**

### 1 Intelligent Power Management System

We have created and deployed power management solutions that guarantee enhanced efficiency through a reduction in energy loss and form factor. Distinct types and sizes of power management systems can be 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.

### 2 Operational Efficiency

To minimize wastage of energy and optimize power consumption, we have implemented operational efficiency measures across our sites. This includes implementing energy-efficient technologies and optimizing cooling systems to reduce overall energy consumption.

### 3 ID-OD Conversion

Indoor diesel generators (ID) to Outdoor diesel generators (OD) conversion eliminates the need for dedicated indoor spaces and ventilation systems, reducing the environmental impact associated with diesel usage.

**1,300+**

**Indoor sites converted to outdoor sites during FY 23**

**88%**

**Total outdoor sites**

### 4 Electrification of Old and New Sites

During FY23, we prioritized the electrification of old, non-electrified sites, ensuring their integration into the energy-efficient framework. Additionally, newly constructed sites at the Ready for Active Infrastructure (RFAI) stage were electrified, further expanding the network of energy-efficient sites.

We connected sites to the electric grid and employed renewable energy sources such as solar and wind power. Due to this, the reliance on diesel generators is substantially reduced, leading to lower carbon emissions.

**99.97%**

**Sites electrified**

**2,600 MT**

**Scope 1 GHG emission reduction by electrifying non EB sites during the year**

### 5 DG-Free Sites Project

To eliminate diesel consumption, we initiated the DG-Free Sites project. By leveraging alternative energy sources and advanced technologies, this initiative reduces dependence on diesel generators and promotes cleaner energy options.

**~54,950**

**Total DG free sites**

### 6 Deployment of Storage Devices

We have actively deployed storage devices such as Lithium-ion (Li-ion) and Valve-Regulated Lead Acid (VRLA) battery banks across various sites. These energy storage solutions enable efficient energy management and reduce reliance on diesel generators.

During the year, we deployed advanced storage solutions, including Li-Ion and VRLA batteries, on approximately 8,500 sites. This initiative enhanced energy storage capacity and is helping us **reduce diesel consumption thereby lowering carbon emissions.**

**Storage solutions deployed during the year**

**~8,500 sites**

### 7 Other Measures

- We have deployed Lean Towers, i.e., towers that do not operate on diesel, thereby reducing carbon emissions.
- 100% LED Lighting at sites
- Low-cost intelligent solutions to boost energy efficiency.
- Optimized DG Sets and other equipment at the site to reduce emissions.
- Installed the latest high-efficiency rectifiers, variable ACDG kits, and DCDG kits

## Transition to a Circular Economy

Embracing a circular economy is a key pillar of our environmental strategy. To achieve climate neutrality, in addition to managing carbon emissions, it is also essential to make efficient use of natural resources, extend the useful life of products and services, and ensure proper treatment of waste, prioritizing its reintroduction into the system.

As one of the largest passive infrastructure service providers, we are mindful of our substantial usage of batteries, electrical, and electronic products in our operations. To ensure appropriate waste management, we have classified our operational waste into various categories-

- Batteries are categorized as hazardous waste
- ACs, PIUs, and SMPS as e-waste
- Towers as non-hazardous waste


### 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 another 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 of the materials.

Throughout the life cycle of assets purchased and deployed, we adhere to the guidelines and rules set forth by the Government of India.

**Steps for effective waste management:**

**Reduce**

- Employ renovation and maintenance practices to extend the life of our assets thereby reduce waste generation
- Rejuvenate existing battery banks to boost their durability.

**Reuse**

- For the material returned to warehouse, health assessment is undertaken to determine whether it is repairable items or scrap
- Repaired and put to use
- Multilayer screenings before declaring equipment as end-of-life

**Recycle**

- All end-of-life materials are sold to PCB-authorized recyclers who are under an obligation to treat the material responsibly

**As next steps in our journey, we aim to:**

**enhance** data visibility by implementing Tier 2 reporting, which includes recycling throughput and yield.

**conducting** plant visits and auditing major scrap buyers to ensure compliance.

**explore** opportunities with recyclers offering carbon credits.

## Paperless @ Indus

Paperless @ Indus has revolutionized the way we operate, enabling automated invoice submission, automatic linkage from purchase requisitions to billing, efficient reconciliation processes, archiving and storage capabilities, quick approvals, a faster procure-to-pay cycle, and real-time monitoring and visibility at each touchpoint.

**100%**

Digital invoicing

**11.5 Mn**

Reduction in sheets of paper each year

**₹10 Mn+**

PhD centralization saving in terms of efficiency and infra costs

**1,150**

Trees saved each year

**Reduced travel**

for our partners contributing to their road safety and reduction in GHG emissions.

## Waste Management at Indus Offices

We believe every effort counts and so we encourage our people also to inculcate a sustainability mindset and make optimum use of resources. We have laid processes for the proper disposal of office IT waste.

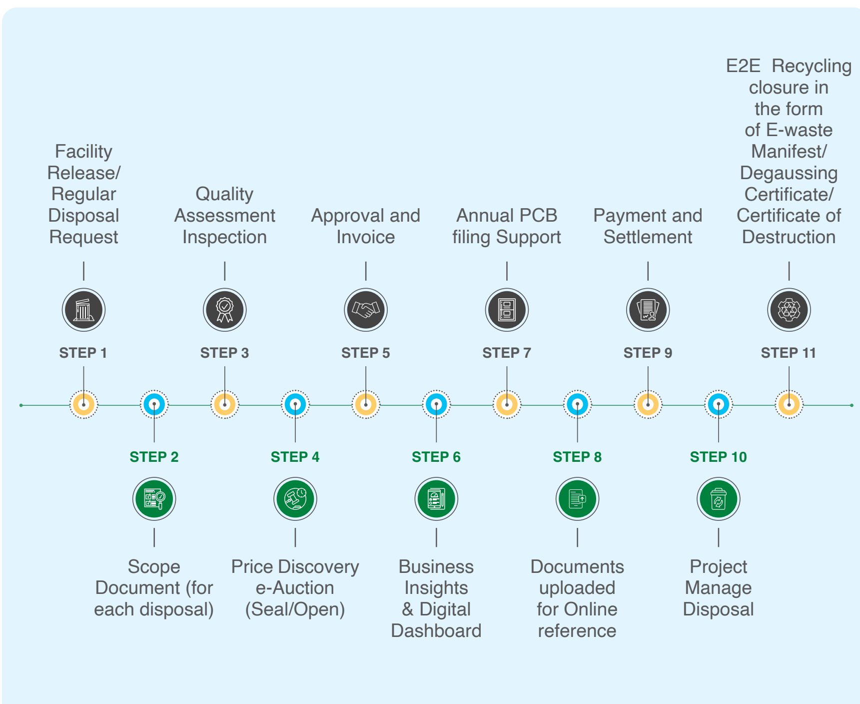
### Waste Reduction

We have implemented various targeted measures to reduce waste output and embrace sustainable practices. One such measure is the adoption of Value Analysis/Value Engineering (VA/VE) techniques, which have enabled us to enhance efficiency and optimize resource utilization. Through VA/VE, we continuously assess our processes and products to identify opportunities for improvement, resulting in reduced raw material consumption and waste generation.

Additionally, we have launched a battery refurbishment program to extend the lifespan of our assets. By refurbishing batteries, we not only reduce the need for new replacements but also contribute to enhancing the overall asset lifecycle. Despite the fact that a procedure for materials to be returned to our ITL value chain is yet to be established, we are committed to developing innovative methods and technologies that will help foster a circular economy.

### IT Waste Management

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




## #WE CARE

**Every step counts for a better and sustainable tomorrow**

Our Human capital plays a significant role in driving positive change and contributing to our environmental goals. By integrating ESG awareness into our culture and employee engagement, we foster a sense of shared responsibility and commitment towards sustainability.

We have implemented visible and tangible green initiatives within our workplace and our people are committed to doing their bit.

- Planted saplings pan India across our various circles
- Introduced various energy-saving measures
- Encouraged car pooling
- Encouraged employees to participate in community service and volunteering activities related to environmental and social causes including recycling of material by donating
- 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
- Encouraged the use of jute bags in packaging instead of plastics

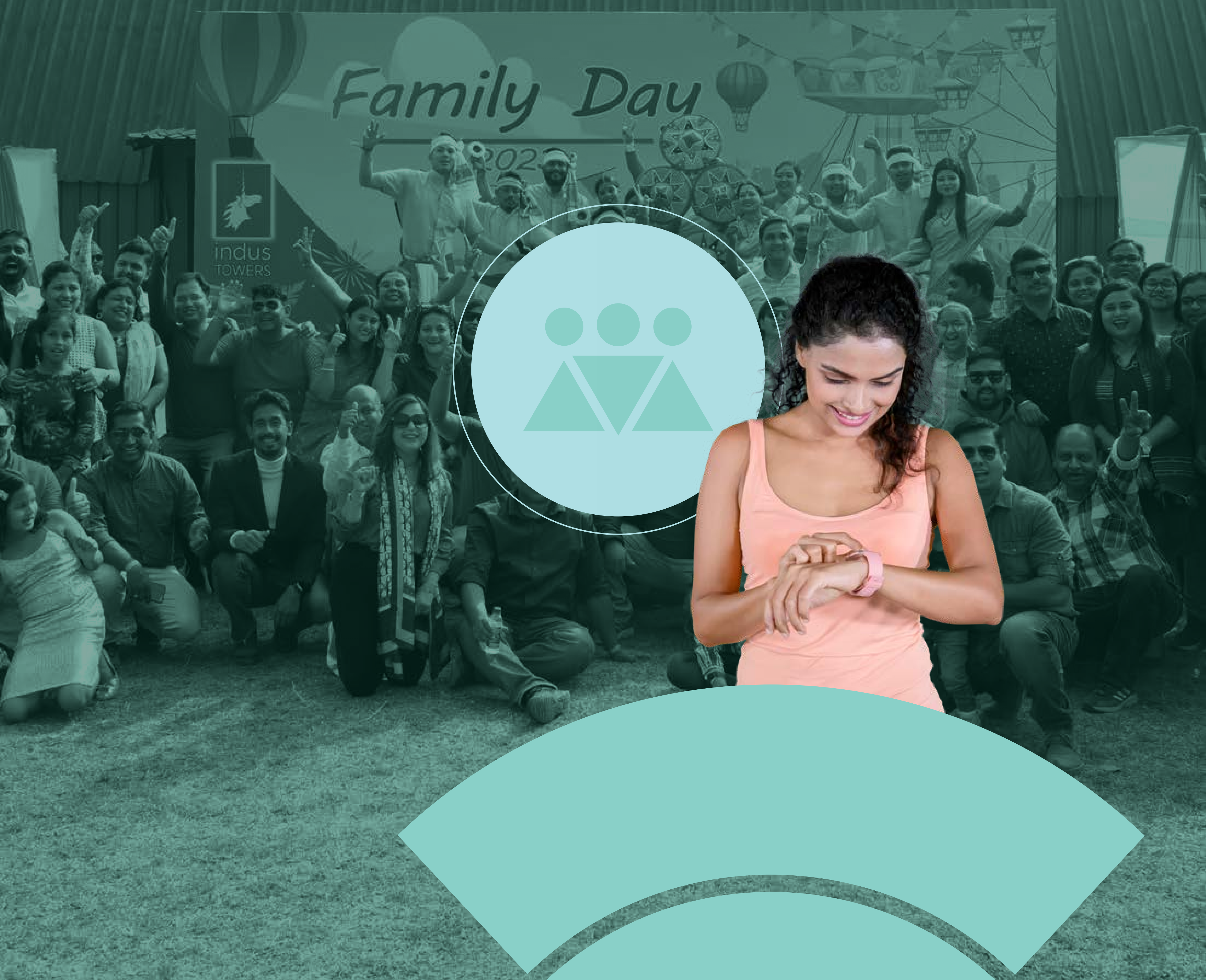

### Water Management at Indus Towers

Water consumption at Indus is mostly limited to office consumption, so it is not a material issue for us. The supply is mainly carried out through the public supply network. Though our operations are not water intensive, we recognize water is an essential shared resource and we have taken actions to judiciously use it. We proactively look for ways to conserve water by conducting internal campaigns amongst our employees to educate and increase awareness about water conservation. Our actions are also aligned with our intent. Our offices use sensor-based taps and flow restrictors to reduce water wastage. We will continue implementing feasible measures for water conservation both at our sites and offices.

# Human

**Capital**

We rely on our dynamic workforce to sustain our leadership position and stay ahead of the curve. Driven by the philosophy of growing together with our people, we foster an employee-centric culture. Our foremost priority is to provide a workplace where everyone feels a sense of belonging, is engaged and committed to accelerating- beyond all limits.



## Year at a glance

**3,249**

**Employees as on March 31, 2023**

FY 2023 marks the 10th consecutive year for Indus Towers to be awarded the prestigious Gallup Exceptional Workplace Award. We continue to put our people first and continue to make employee engagement a cultural priority in our overall strategy.

**50% reduction**

in total recordable work-related incidents during the year

Separate Human Right Policy published during the year and a revamped training module is being developed.

**6.30%**

**Gender diversity as on March 31, 2023**

from **5.8%** in FY 22

Women Hiring as a % of total hiring

to **11.1%**

against **7.8%** in FY 22

**133,797**

**Total hours of training for active employees**

by **18%** vis-à-vis FY 22

**41 hours**

Average Learning Hours achieved per active employee in FY 23

from **35 hours** in FY 22

**100+** online courses offered benefiting **99.70%** employees

**₹33.5 Mn**

**Spent on training and development**

ESAT score improved to **4.64** in FY 23 from **4.62** in FY 22

87th percentile in India

**95%** participation rate with

**27:1** as the engagement ratio

### Material issues

- People Practices
  - Labor Practices
  - Human Capital Development
- Health & Safety

### Commitments & Targets

- Prioritize diversity and inclusion across our value chain as we aspire to increase diversity by 5x
- Upskilling and training
- Uphold the highest standards of Human Rights within the Company and across the value chain
- Committed to create an environment of Zero Harm and Zero Bias

### SDGs

## Way forward

**Define Action Plan** based on the results of Speak Your Mind (SYM) Engagement Survey, 2023

**Revamp Performance Management model-** rewarding for performance

Encourage more inclusive culture with **flexible policies**

**Improve diversity with appropriate representation at all levels-** Junior, Middle and Senior Management – initiatives focused on policy, hiring, benefits and engagement

Introduce innovative ways for sensitizing and training workforce on safety issues including through Virtual Reality (VR) technology. **VR-Based Height Certification and Evaluation.**

**Performance and remuneration of people linked to New ESH index** incorporating the leading and lagging indicators

**Foster a strong Hazard Reporting culture** through target-based Hazard Reporting

**ISO 45001 Certification**

Follow best health and safety practices

Our people strategy focuses on various dimensions to create a cohesive and supportive work environment that attracts, retains, and develops talent while driving us towards greater heights.

**Talent Management**
- Hiring the Right People
- Training and development
- Performance Management
- Culture of recognition

**Engagement and Well-being**
- Engaged workforce
- Purpose and Community
- Physical Well-being
- Emotional Well-being
- Financial Well-being

**Diversity, Equity & Inclusion**
- Equal Opportunities
- Gender diversity
- No Biases
- Upholding human rights

**Safety**
- Enhancing Workplace Safety
- Ensuring Road Safety

## Our Employee Value Proposition

1. Career development - strong career proposition
2. Build winning teams with growth spirit
3. Encouraging ownership and innovation mindset
4. Supportive work-life balance for well-being and productivity
5. Offer equal opportunities and growth
6. Reward people competitively and drive retention with a long-term value approach
7. Continuous learning mindsets



# Talent Management

Rapid changes are the new normal for the telecom landscape. Being agile, fast, and responsive is the only way forward. This makes it critical for us to attract, develop and retain talent.

**Our talent management strategy centers around:**

Hiring the right people at the right place, their development and training, succession planning and leadership development, performance management, and talent retention by creating a culture of recognition.

## Hiring

Our hiring practices are focused on finding the best fit for the organization. We encourage and attract an agile, diverse, and technologically advanced workforce. Our strategic approach to creating a pool of best-in-class talent:

- **Attracting** the talent
- **Retaining** the better
- **Advancing** the best

At Indus, we strive to infuse fresh and innovative perspectives through our specialized programs – the Management Trainees Program and the Graduate Engineer Trainees Program. We recruit exceptional talent from India's top-tier business and engineering schools. Our aim is to cultivate the next generation of leaders who will help drive our organization forward. These young leaders undergo a comprehensive 6-month to 1-year-long training and are mentored by our executive leadership team, allowing them to learn from the best.

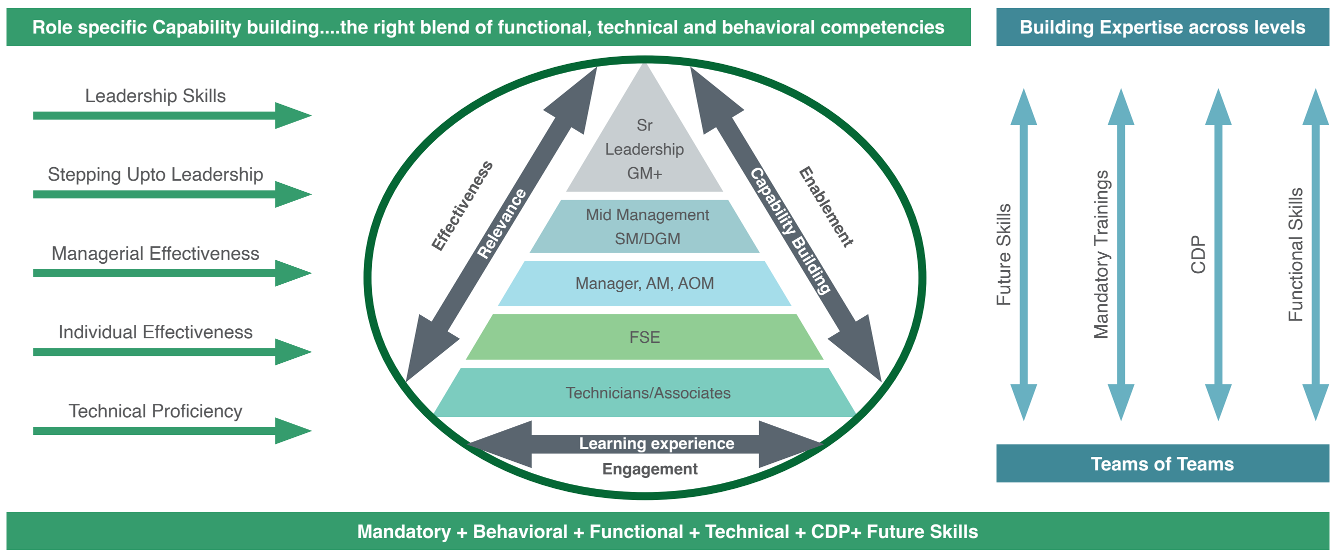
Our collaboration with esteemed campuses and universities of the country allows us to hire best-in-class talent who have the potential to be the growth engines of Indus' digital-first future.

# Learning and Development

We are committed to providing our employees with various opportunities to develop their skills and abilities. Our comprehensive learning and development programs include Management Development Programs, Continuous Education Policy, License to Lead, a signature program for First Time Managers, and the Indus Gurukul campaign.

Constant upskilling and reskilling are essential to help employees thrive in their roles and contribute to our collective success.

We also offer technical and functional training to help employees stay ahead of competition. To help new joiners in technical roles gain a clear understanding of their responsibilities, we provide Competency Development training. At Indus, we believe in investing in our employee's growth and development to create a fulfilling and rewarding work experience.




## Mandatory Training Programs

To inculcate and encourage a mindset of sustainability, wherein our people conduct themselves with integrity, uphold the highest standards of business conduct, and respect and promote the principles of human rights amongst other values, we ensure that our people undergo some mandatory training.

1. Indus Code of Conduct
2. Prevention of Sexual Harassment (POSH)
3. KAVACH Safety Training
4. Information Security & Management Systems
5. Anti-Bribery and Anti-Corruption (ABAC)

Mandatory training for our new joiners and annual refreshers for all employees to reiterate and reinforce our commitment to the ESG principles.

**99.96%**
**Anti-Bribery & Anti-Corruption (ABAC)**

**99.57%**
**Indus Code of Conduct - (online)**

**99.45%**
**Information Security Management System**

**99.5%**
**KAVACH Safety Training (ZERO Height & Electrical Accident) - (Online)**

**99.63%**
**Prevention of Sexual Harassment (POSH) - (Online)**

### Training Need Assessment

We conduct an annual comprehensive assessment of training needs for each function, categorized into Functional, Behavioral, and Technical competencies. The outcome is used to design and implement learning interventions across the organization. The TNI is a comprehensive process wherein the employees and their leaders participate to assess the current and future needs, and the gaps identified are addressed and incorporated into individual development plans (IDPs). The IDPs are reviewed by managers during mid-year and annual appraisals. This ensures that employees receive the necessary support for enhancing their skills while also contributing to the organization's success.

**15**

**Future skills identified and integrated extensively into the Training Needs Identification (TNI) process**

**We imparted training on ‘5G Technology’ and ‘Business of Telecom’ to cater to the unwavering commitment of our people to thrive in a dynamic and ever-evolving telecommunications landscape.**

**18%**

**Increase in total training hours**

**41**

**Average learning hours achieved per active employee in FY23**

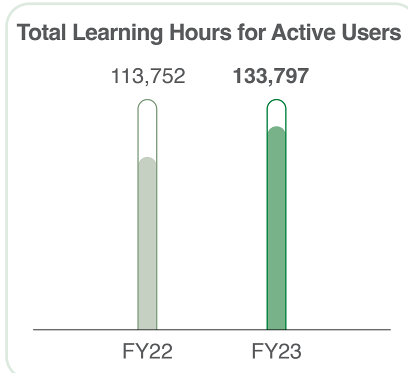
### License to Lead

We understand the significant shift in a professional's career trajectory when transitioning from an Individual Contributor to a People Manager. The demands placed on individuals in terms of skills, value, and time are markedly different when assuming a managerial position.

To build successful managers, we have developed the ‘License to Lead Program’. This program focuses on cultivating key competencies like effective delegation, performance management, empowering and developing teams, and retention to facilitate effective People Management.

### Continued Education Program

We actively encourage our people to pursue higher education from renowned educational institutions. It aims to augment their current skill sets and knowledge and empowers them to excel in future roles. Our Continued Education Policy provides financial assistance to employees for pursuing various courses.






# Development

### Career Progression at Indus

We believe in creating a robust talent pipeline and hence, engage in various career progression initiatives. Some of them are mentioned below:

**Career Conversations**

We have implemented structured and consistent career conversations that allow employees to reflect on their professional goals and aspirations. To realize their goals, we encourage employees to create a personalized career development plan with training and development needs.

**100%**

**Of 1,175 Field Support Engineers completed the career conversations indicating a high level of engagement and commitment towards professional growth**

**Building Tomorrow's Leaders**

We have designed a Talent Management Framework to assess the existing skills and competencies of our workforce and ensure that every employee is offered a role that aligns with their skillset. It also serves as a roadmap for developing our future leadership pipeline.

To prepare our managerial talent pool for the next step within the organization, we have implemented a rigorous methodology. It involves a comprehensive program that focuses on management, action projects and executive coaching.

**Promoting Internal Movements and Relocations**

We have a pan-India presence in 22 telecom circles and offer different roles for employees across the country. We encourage the internal movement of employees within the organization to support professional as well as personal growth.

**~ 72%**

**Of positions were closed through internal job postings or internal movements in FY23.**

**Campus to Corporate Program**

We have designed a comprehensive 6-month development program for inducting new Graduate Engineer Trainees (GETs) and Management Trainees (MTs). It ensures standard learning outcomes from different sets of training/learnings. The STEP-UP program which is part of this plan, aims to train and guide campus hires to easily assimilate with the corporate culture.

We have designed a comprehensive 6-month development program for inducting new Graduate Engineer Trainees (GETs) and Management Trainees (MTs).

## Performance Management

To enhance people's engagement, productivity, and job satisfaction, and align individual efforts with organizational goals to drive overall success, we have implemented a Holistic Performance Management Framework. The guiding principles for us are:


### Performance Management Framework

# What and How

**Goal setting**

Integrated, ambitious and SMART goals to drive Indus forward in its Vision and Mission

**Mid-year performance review**

Reflect on your own performance and areas of improvement to take appropriate actions

**Post-mid-year satisfaction survey**

**Year end performance review**

Enables employees to self-evaluate their strengths and weakness and request feedback and support

**Annual Appraisal feedback survey**

**Pay for performance**

Rewards considering the results and performance

## Appreciation and Recognition

At Indus, we believe that organizational performance is driven by fostering a culture of appreciation and recognition.

### Reward and Remuneration

To attract, retain and motivate talent, it is crucial to have a strong remuneration policy. Indus fosters a performance-driven culture, wherein our people are motivated to excel and are rewarded based on their achievements, contributions, and results. We believe that employee compensation must be competitive to boost engagement. The remuneration packages are established taking into consideration the market standards, comparable sectors, and companies. We regularly conduct compensation and benefits benchmarking through specialist consulting firms.

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. All compensation elements are maximised to support employees' journey and secure business results.

**Fixed Pay**

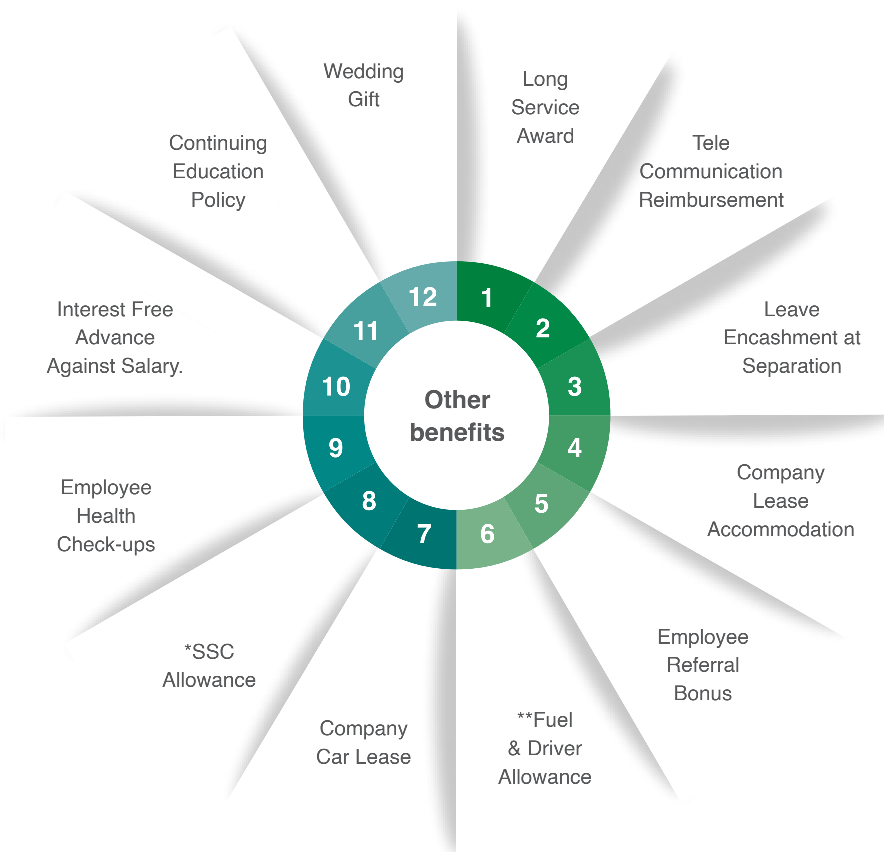
We offer competitive fixed pay aligned with industry standards as part of our comprehensive reward and remuneration package.

**Variable Pay**

Linked to individual's and Company's performance. Rewarding achievements for annual business goals

**Long-term**

Retaining potential and key talent through ESOPs and LTIs. This helps in integrating stakeholders' interests.




*SSC Allowance is only applicable to employees who work in Special Status Circles (SSC)

**Only applicable incase Company Car Lease is chosen

Our total rewards framework is based on the following key philosophies:

1. Competitive packages to attract and retain talent
2. Aligned with Company's goals
3. Equity and Fairness – factors considered include employee's expertise, role, responsibility, qualifications and experience
4. Merit-based recognition and rewards

## Employee Appreciation

We firmly believe that expressing appreciation is more than just acknowledging one's contribution. It entails building trust, fostering teamwork and respecting individual effort.

Our Digital Reward and Recognition Platform, 'i-appreciate' provides employees with an 'on-the-go platform' for appreciating and recognizing their colleagues' efforts and achievements. This platform has proved to be effective, with ~70% of its users having been rewarded at least once. Moreover, monthly and quarterly Reward and Recognition events are held during town halls to recognize and appreciate outstanding employee performance.

**80,000+**

**Monetary and non-monetary recognitions on I-appreciate**

# Employee Engagement and Well-being

At Indus, we are committed to providing an exceptional employee experience that centers around fostering engagement and promoting well-being.

We have made significant efforts and investments to strengthen the engagement of our workforce and foster a performance-driven culture which is future-ready.

We value the importance of connecting and celebrating with our people. Through various initiatives like Friday Connects, Birthday and Festival Celebrations, and 'Family Day', we engage with our employees and their families. By celebrating together, we strengthen bonds and create a supportive work environment that promotes employee happiness and satisfaction.

To test our organizational culture, we seek feedback from all employees on important Engagement Parameters through Speak Your Mind (SYM)- an annual employee survey. The survey results are used as inputs for celebrating our success points and for improving on our weaknesses. Every feedback and opinion of our employees matters to us. We strive to ensure that the voice of all our employees is considered while creating an action plan for the year.

**4.64/5**

**ESAT 2023 score**

**95%**

**Response rate in Employee Engagement Survey 2023**

To create and sustain an emotional and lasting relationship with employees, we have developed a Well-being Framework focusing on four dimensions:


Our tenth consecutive **'Gallup Exceptional Workplace Award'** is a testament to our people's culture

## Purpose and Community

We take pride in encouraging the culture of our Personal Social Responsibility (PSR) program, which aims to encourage volunteering and community service among employees. Through PSR, our dedicated volunteers actively engage in various community service initiatives, leveraging their time, resources, and skills to drive positive change. Our employees take great pleasure in celebrating festivals with the elderly at old age homes, spending time with children in NGOs, and volunteering for extended periods of 5 to 6 days with our partner NGOs. During these volunteering stints, they share their expertise and knowledge, contributing meaningfully to community development.

**800+**

**Volunteers participated and touched 3,000 beneficiaries through Personal Social Responsibility (PSR) program**

### Emotional and Social Well-being

Promoting social and emotional wellbeing is crucial for realizing one's potential, effectively managing the everyday pressures of life, working efficiently, and contributing positively to society. To support this aspect of wellness, various initiatives have been introduced, including interactive sessions on mental well-being, parenting techniques, digital detox, meditation, stress management, mastering sleep, and work-life balance.

**1,500+**

**Participants in well-being sessions**

### Financial Wellness

We offer financial wellness programs aimed at improving the financial management skills of employees. Our initiatives include a variety of informative sessions and webinars on various financial topics such as taxation, preparation for unforeseen expenses, prioritization of financial wellness, management of personal insurance, and the enhancement of overall financial wellness.

Additionally, we provide an online course on financial literacy that covers essential topics such as finance for non-finance professionals, finance essentials, and business statistics. These programs are designed to equip our employees with the necessary knowledge and skills to manage their finances effectively.

### Physical Health and Related Benefits

We recognize the importance of maintaining the physical well-being of our employees and their families. As part of this commitment, we have implemented various initiatives to support employee health and stress management both at the workplace and in their personal lives.

Regular healthcare programs are organized to address issues related to health and nutrition, meditation, parenting and child care, stress management, ergonomics and so on. These programs are designed to help employees effectively manage their physical and mental health. In addition, we have onboarded an in-house doctor and advisor to provide medical consultation and support to employees.

Furthermore, we promote health and well-being by planning and implementing policies like executive health check-ups, medical insurance policies (GMC), Group Term Life Insurance Policies (GTLI), Group Personal Accident Insurance (GPA), and maternity benefits and paternity leaves including adoptions.



## Diversity and Inclusion

Creating a truly diverse and inclusive workplace is one of the strategic pillars and commitment in our ESG priorities. Diverse teams bring more creativity, innovation and better decision-making, provided they are underpinned by an inclusive environment.

At Indus, we are committed to promoting equity and 'Fair Treatment for All'. It is a priority for us to create an environment that favors diversity in every respect and promote a workplace where every employee feels valued, respected, and supported.

- Ensuring an inclusive environment for all employees, regardless of their gender, sexual orientation or identity.
- Valuing, respecting and harnessing cultural, religious and linguistic diversity of our people spread across India.
- Promoting coexistence and diversity of different age groups and generations
- Valuing and embracing people with different abilities – 15 differently abled employees

**Glimpse of our workforce across various levels of management**

| | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | < than 30 Years | 30-40 Years | 40-50 Years | > 50 Years | < than 30 Years | 30-40 Years | 40-50 Years | > 50 Years | |
| Junior Management/Operative | 302 | 1,440 | 798 | 95 | 49 | 99 | 25 | 1 | 2,809 |
| Middle Management | - | 79 | 216 | 73 | - | 11 | 15 | 2 | 396 |
| Top Management | - | - | 15 | 26 | - | - | 2 | 1 | 44 |
| Grand Total | 302 | 1,519 | 1,029 | 194 | 49 | 110 | 42 | 4 | 3,249 |

We strive to provide equal opportunities to all employees without engaging in any form of discrimination in the hiring process, compensation structure, access to training, promotion or career advancement, termination and retirement. We firmly stand against discrimination based on factors such as ethnic origin, position, color, race, caste, religion, disability, gender, sexual orientation, pregnancy, or political orientation.

Our ethos of being Equal Opportunity employer are laid on:

- Discrimination free pay
- Equal employment and growth opportunities
- Assigning roles as per employee's capabilities

**Target to increase female of employees by**

**5 times**

**Promoting gender diversity is not only a matter of fairness and social responsibility but also a strategic advantage for us.**

Towards this, we have taken ambitious targets and initiatives during the year:

- Increasing the share of women employees is tracked as a KPI in the scorecard and remuneration of employees is linked to this KPI
- A special internal referral program with an extra referral bonus for female employees joining the organization
- 'Gender Sensitization' workshops were conducted to raise awareness about unconscious biases and promote an inclusive work environment
- 'Tete-a-Tete with the CEO' was organized where all the women employees shared their thoughts on accelerating equality in the workplace.
- Female hiring has been a key focus area this year - **11.1%** of the hired workforce were women in FY23 vis-à-vis 7.8% in FY22.
- Encourage and ensure Pay Equity – Individuals of all genders receive fair and equal pay for equal work
- Breaking stereotypes – Challenging gender stereotypes for various roles
- **Some women-friendly policies**
  - 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 the Travel policy
  - Supportive maternity policy

## Protecting Human Rights

At Indus, safeguarding human rights is paramount, and we hold it as our utmost duty to uphold and implement these principles throughout every facet of our operations. With a commitment to preserving the dignity and respect of all individuals, we take proactive measures to meticulously ensure that no infringement on human rights occurs within our organization, supply chains, or business relationships. Our resolute dedication to this cause underscores our pledge to create a world where human rights are not just protected but celebrated and cherished.

**Launched a separate policy**

**on Human Rights**



# Safety

Ensuring the safety and well-being of our employees, customers, and communities remains at the forefront of our corporate values. From rigorous risk assessments to continuous training and innovation, we are steadfast in our commitment to maintaining the highest standards of safety excellence.

We have implemented several measures to foster a culture of safety across our operations.

## Environment, Safety & Health (ESH) Management

We have implemented our Environment, Safety, and Health (ESH) program across all circles, benefiting our employees, associates, and partners. The ESH program defines written processes and Standard Operating Procedures that serve as guidelines for field force and individuals to follow.

### Encouraging Open Communication

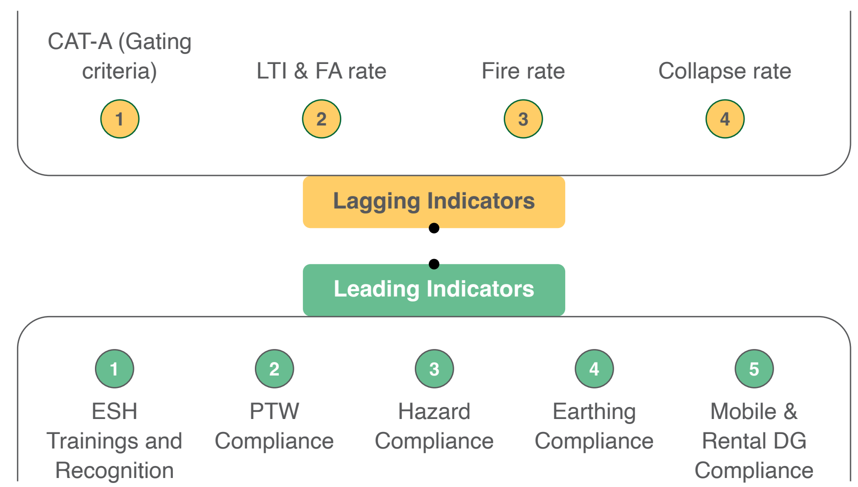
We have implemented two key initiatives, the **Quarterly ESH VC** led by our Chief Operating Officer and the **Last Mile Connect** facilitated by our circle-level leadership teams. These initiatives serve as essential platforms for open communication and reflection on our ESH performance, achievements, and areas for improvement. Through transparent dialogues, we aim to enhance leadership participation at both national and circle levels, fostering a safety-first culture where challenges are addressed and resolved collaboratively to ensure the well-being of all employees.

### ESH Index

The EHS Index offers a comprehensive view of the circle's ESH (Environment, Safety, and Health) performance by combining five leading and three lagging KPIs. We believe that by tracking these indicators, we will be able to identify areas where we need to improve, take actions to improve compliance and strengthen our governance practices.

We use the ESH Index, calculated as the difference between the normalized leading and lagging indices, aiming for an ideal score of 70.

**The leading and lagging indicators part of the new ESH index are.**



## iMapp

Multiple channels have been established to identify hazards, conduct risk assessments, and effectively communicate these findings to our field force. To enhance safety compliance, the iMapp platform, our Field Force Management App, has been equipped with various functionalities enabling reporting of incidents, hazards, near misses, HiPO incidents, and safety compliance violations. Thorough investigations are conducted for each incident, and actionable insights from these incidents are implemented across all our sites. Upon validation, individuals are assigned tickets, and progress is diligently monitored until resolution. In conjunction with iMapp's digital transformation, we also conduct specialized campaigns like the Project e-Safe campaign to further identify and address hazards at our sites.

To regulate and control night travel, an iMapp-based night movement approval process has been put in place. **Most of the planned maintenance is scheduled during nighttime.** We believe safety should never be compromised. With this philosophy, stringent approval processes are laid down including mode of travel, any exception / exemption has to be approved by manager and use of PPEs are nonnegotiable.

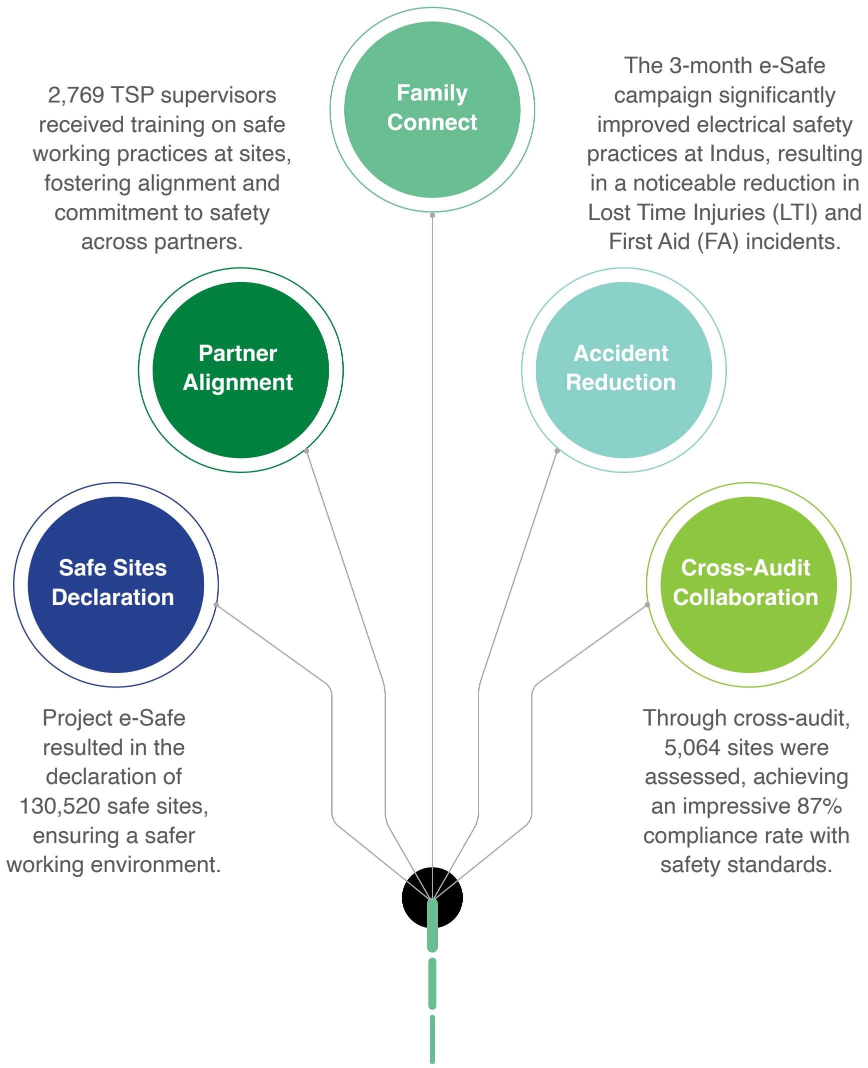
## Project e-Safe

The campaign was initiated with the primary objective of guaranteeing hazard-free work sites in relation to electrical components and rectifying high-risk behaviors among technicians and FSEs. We established a meticulous evaluation process to assess the performance of various circles.

Innovative programs like Family Connect successfully involved family members in promoting safe behaviors among technicians, leading to more consistent and frequent implementation.

2,769 TSP supervisors received training on safe working practices at sites, fostering alignment and commitment to safety across partners.

The 3-month e-Safe campaign significantly improved electrical safety practices at Indus, resulting in a noticeable reduction in Lost Time Injuries (LTI) and First Aid (FA) incidents.




Project e-Safe resulted in the declaration of 130,520 safe sites, ensuring a safer working environment.

Through cross-audit, 5,064 sites were assessed, achieving an impressive 87% compliance rate with safety standards.

**Key initiatives carried out and their Impact**



## 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.

We monitor the travel of our field team members and have created a set of non-negotiable safety rules which are based on the activities undertaken by employees, partners, and customers. To eliminate incidents related to road travel, we undertook in-depth incident analysis, and got some data points which will become essential input for our road safety strategy. A highly skilled and cross-functional team was assembled with the specific objective to analyze the causes of incidents and gaps in existing road safety measures.

### Key road safety initiatives carried out during FY23

1. Reducing Road Exposure: e-authorization of PTWs via video call through I-Mapp thereby minimizing field movement and road exposure
2. Comprehensive Defensive Driving Training (DDT) for last-mile employees by leading external agencies
3. Road Safety Campaigns and Family Connect wherein leadership visited employees' families to promote road safety thereby increasing worker commitment to safety requirements.
4. Night travel approval process
5. Road Safety Toolbox Talks (TBTs) sensitized employees about road safety practices and encouraged safe behavior.
6. PPE checks through surprise video calls to evaluate and control the PPE usage of technicians at the sites.

### Impact

Our road safety initiative achieved remarkable success, effectively reducing road accidents by a significant 37.3% compared to the previous year. These results earned us prestigious external accolades as well, including the British Safety Council International Award.


Our commitment to safety drives us to align with global initiatives such as the 'UN Decade of Action for Road Safety 2021-2030.' As part of our ESG targets, we have set a commitment to achieve an accident-free environment by the year 2025.

# Relationship

**Capital**

At Indus Towers, delivering long term value to stakeholders is our key strategic priority. To this end, we forge a deep connection with our stakeholders and focus on meeting their interests and changing needs. We ensure this through effective and transparent communication.

**We have created a robust stakeholder engagement mechanism, promoting collaboration with each stakeholder group. Making a difference in the lives of our stakeholders drives us to go the extra mile to endorse stakeholder priorities and inclusion and positions us as their preferred partner.**

## Year at a glance

Our valued stakeholders

| Landlords | Customers | Suppliers | Shareholders | Government |
|---|---|---|---|---|
| **276,450+** | **All telecom operators** in India | **2,600 +** | **258,000+** | **Governments and Regulators** |

**Value proposition**

| Landlord satisfaction | Uptime | Partner satisfaction | ROE | Contribution to exchequer |
|---|---|---|---|---|
| **93%** | **99.96%** | **8.2** out of 10 | **9.4%** | **~₹764,843 Mn** |

**Published a separate Code of Conduct for business partners** reinforcing the principles of ethical business conduct and sustainability.

Through a third party we have undertaken **ESG assessment of the business partners that cover 80% of our Infra spend.** Scoring and gap analysis was done based on their public disclosure.

**99%** MSME Compliance

**Enhanced ESG Disclosures** and created a robust governance structure to focus on sustainability

**Created a 5G ready network** to facilitate rapid rollout by customers

**Developed more cost efficient towers** to reduce cost to customes

**Secured long term value generation** for shareholders by securing > 95% of the co-locations due for renewal under MSA

**Material issues**

- Sustainable sourcing
- Network Reliability
- Regulatory Environment
- Governance

**Commitments & Targets**

- Build a resilient and sustainable supply chain - ESG evaluation of suppliers
- Demonstrate leadership in disclosure practices

**SDGs**


## Way forward

Address the gaps identified **under the ESG assessment** of the suppliers to improve and drive ESG awareness and build a sustainable supply chain

**Conduct ESG assessment** of all engaged Partners

**Extend new Indus Human Rights Policy** to supply chain and ensure their training and awareness

Continue with our efforts around strenthening our infrastructure. **Digital orchestration will play a significant role in tracking the performance and health** of network to ensure stable and reliable network.

**Engage with Regulators** directly and/ or through associations for advocacy on policy intervention to accelerate sustainable and digital infrastructure deployment

**Strengthen the Business Continuity Plan** to cover all critical areas. Extend BCP beyond the current coverage of Operations & IT

**Capture growth opportunities** and secure long term revenue by participating in customers roll out activities

# Value Creation for Customers

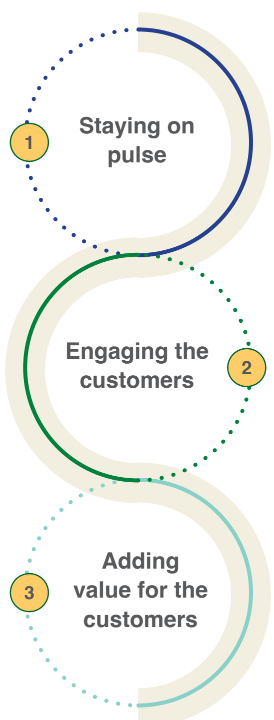
Customers are at the core of Indus's value creation model. Given that we operate in a B2B setup, we aim to ensure strong association and lasting relationships with our customers.

Being one of the largest passive infrastructure providers in the country, we are committed to providing telecom operators with a comprehensive and reliable integrated infrastructure, used by them to connect billions of people across nation.

What sets us apart is our 'customer first' approach. To foster a relationship built on trust we uphold the principles of neutrality and non-discrimination.

Fundamental pillars to our 'Customer First' approach

## Three Fundamental Pillars




### Staying on Pulse

We remain steadfast in our commitment to ensure transparency in all customer interactions. Striving to foster customer loyalty, we pay attention to their concerns and expectations. Building on the feedback received, we conduct comprehensive customer satisfaction surveys through self-administered web-based interviews and independent third party-hosted surveys.

### Engaging the Customers

To understand our customers' expectations better at both operational and strategic levels, we engage with them through various channels, including regular meetings and annual surveys. This concerted effort allows us to gain holistic insights, which aid us in aligning our services with their evolving needs and delivering exceptional experiences.

### 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.


## Key Customer Engagement Initiatives of FY23

In today's fast-paced market, operators are leaving no stone unturned to improve their market share by offering access to advanced and reliable telecommunication services to 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.

We enable our customers to reach the underserved areas and the most challenging terrains thereby taking a step forward towards fulfilling the vision of a Digitally connected India. Our operations team works tirelessly to reduce downtimes and our technical team put forward quicker solutions for multiple concerns.

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 the uptime and network stability for our customers, leaner and faster rollouts, optimized processes and sustainable solutions, agile and customer-centric approach helps us deliver improved customer experiences and make us their Preferred Partner.

During the year we have renewed our long-term service contracts with two of our major customers, thereby enduring a stable, strategic, and mutually beneficial relationships.

## Relationship 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.

### Engaging with Landlords

To ensure transparency in all our business relationships, we have implemented a comprehensive **Landlord Relationship Management Program (LLRM)**. This is a collaborative endeavor focused on engaging with landlords, minimizing disputes, expediting response times, facilitating swifter renewals at reduced costs, and more.

To ensure a continued connection with our landlords, we have launched a new digital touchpoint in the form of the **Indus iCare Landlord app**, which aligns perfectly with our core ExCITE values. This app serves as a dedicated platform for landlords, allowing them to gain valuable insights and access real-time information regarding their engagements with us including rentals, status of the concerns raised by them, and notification issued by Indus from time to time.

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 93% satisfaction score at the end of this financial year.

**Landlord satisfaction score**

to **93%**

**in FY 23 from 91% in FY 22**

## Value Chain Partners

We believe in long term partnerships that are fostered and strengthened over the years. Building long-term relationships with our value chain partners is essential for ensuring seamless operations, improved performance and enhanced business outcomes. Our business partners are extremely crucial in ensuring that the logistics are in place as we beef up our operational footprints.

To achieve this, we have established a dedicated Business Process Relationship Management (BPRM) team that facilitates periodic engagement with partners to discuss operational, business, and strategic performance. The team also conducts contract governance across all organizational levels to encourage effective communication and collaboration with partners.

**2,600+**

**Suppliers**

Contract Governance is conducted at all levels of the organization starting from:

### User Group (Monthly)

Performance and administrative KPIs are discussed. This contributes to improved working methods and higher output.

### Circle Team, including all stakeholders (Quarterly)

To ensure smooth coordination, performance is reviewed and concerns are managed.

### Corporate Team (Half Yearly)

Business impact, capabilities, and overall performance are evaluated, resulting in the identification of inefficiencies and enhanced operating procedures.

### Apex Level (Annually)

Strategic initiatives are assessed, long-term relationships are developed, critical concerns resolved, and so on.

The Indus Towers supply chain hosts more than 2,600 Business Partners.

| Category of partner | No. of partners | No. of critical partners |
|---|---|---|
| Supply & SME Partners | 59 | 12 |
| Build Partners | 446 | 30 |
| O&M Partners | 36 | 30 |
| IT & Others | 2,000+ | 7 |

*All critical partners are categorised as our strategic partners.

## ‘Partner Satisfaction Survey’

**360° Feedback mechanism system**

We have implemented a 360-degree feedback mechanism to ensure comprehensive engagement with our partners. It involves conducting a third-party survey called the ‘Partner Satisfaction Survey’. This survey solicits valuable feedback from our partners regarding their experiences with us. Based on the results of this survey, we identify actionable areas for improvement, enhancing our overall engagement with partners and ensuring their continued satisfaction with our services.

**82**

**Out of 100 Partner satisfaction score**

The team also conducts contract governance across all organizational levels to encourage effective communication and collaboration with partners.

## Training Value Chain Partners

We are dedicated to impart requisite trainings to our partners such as 'e-safety training' for IME, TSP, and Infra partners, HSTAC, ESTAC, and CHCTE training for the ESH team for TSP partners, and TQM training for the PQA team for the necessary Infra partners. Periodic refreshers supplement these modules, and we are in the process of developing other training modules including Human Rights, ABAC, and POSH.

| | |
|---|---|
| e-safe Training | IME, TSP, Infra Partners |
| HSTAC, ESTAC and CHCTE Trainings | ESH Team to TSP Partners |
| TQM Trainings | PQA Team to require Infra Partners |

During the year, we evaluated top partners on ESG frameworks to assign ESG Maturity scores. A gap analysis was conducted to enhance their performance.

## Building a Sustainable Supply Chain

Across our supply chain which spans geographies and regional clusters, we strive to uphold our ethics, safeguard human rights, ensure safety, and adopt green procurement practices. Whenever a new partner is onboarded, their facilities, processes, and ESH metrics are extensively audited. Partners are also evaluated frequently for their adherence to responsible sourcing standards, which is backed by mandatory annual certification for the Code of Conduct (CoC).

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 implemented.

Throughout the year, we evaluated top partners on ESG frameworks to assign ESG Maturity scores. A gap analysis was conducted to enhance their performance. In large-scale service operations, we also engaged national and regional partners, and their onboarding process involved eligibility criteria that were verified by an independent and competent agency under the due diligence program for business conduct, compliance, and practices. We ensure that all the business partners are in compliance with the applicable laws and regulations and have transparent and responsible business practices.

## Optimizing Supply Costs

Alternate sourcing, VA/VE, alternate technology and the hub and spoke model of distribution have helped us optimize our supply costs. Demand and planning are forecast centrally at the corporate level for all circles, with a monthly outlook horizon of N+2 months, accounting for available inventory, consumption trends, refurbishment output, obsolescence, and shelf life. The share of the business is determined by considering past performance, capability, and capacity. Supplies are allocated considering transportation lead times and prioritizing utilization deadlines. We also optimize inventories and carrying costs on a need-by-need basis through inter-business unit transfers.

## Supporting Local Vendors

Our partnerships go beyond transactional engagements, nurturing a mutually beneficial environment of innovation, knowledge sharing, and growth. By empowering local vendors, we strive to create a stronger and more sustainable ecosystem for all stakeholders.

We work with local partners when seeking services concerning tower construction, maintenance, and operational efficiency. This fosters the growth and development of local partners in non-proprietary material procurement. To enhance their capabilities, we conduct regular training programs aimed at upskilling processes and practices such as TQM, working at heights, electrical safety, and other safety protocols. When developing new products, we prioritize collaborating with our existing partners to incorporate technological advancements, refine our operational procedures, and promote skill enhancement among our personnel.

The share of the business is determined by considering past performance, capability, and capacity.

# 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.

We team up with industry associations and participate in stakeholder consultations to support the Government in formulating policies related to Scope Enhancement, Corporate Governance, Ease of Doing Business, and Social and Community Development. Our dedicated regulatory team diligently monitors emerging laws and technologies, offering valuable insights to regulators during the formulation of Consultation Papers. This enables us to contribute to favorable changes in regulations, ensuring alignment with industry standards.

With an unwavering commitment to ethics and transparency, we conduct our business with the utmost integrity. We prioritize timely compliance and follow a zero-tolerance approach towards any non-compliance. We regularly sensitize our team members about the necessity of adhering to regulatory requirements and educate them about the same.

**₹764,843.21 Mn**

**Contribution to exchequers**

**Our dedicated regulatory team diligently monitors emerging laws and technologies,**

**offering valuable insights to regulators during the formulation of Consultation Papers.**



# 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:

1. Aim to enhance market share and revenue through innovation and efficiency improvement in business
2. Make sound business and financial decisions after considering potential risks that could compromise or outweigh the anticipated benefits
3. Strive towards our goal of becoming a Green Company by reducing our carbon footprint and investing in alternative sources of energy
4. 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
5. Identify new value-accretive revenue opportunities in the digital infrastructure industry to enhance shareholder returns
6. Explore opportunities to return cash to shareholders in line with the Dividend Distribution Policy laid out by the Company
7. Follow the highest governance standard which is backed by an independent and fully informed board, comprehensive processes, policies and communication
8. Ensure a simple Investor Grievance Mechanism in place to resolve the complaints of investors quickly and efficiently.
9. Encourage participation by shareholders and investors in our quarterly earnings 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.

**258,000+**

**Shareholders as on March 31, 2023**

**2**

**Grievances lodged by the investors/shareholders and resolved**

**9.4%**

**RoE**

**11%**

**RoCE**

# Social

## Capital

Our commitment to fulfilling social obligations is pivoted on our efforts to build a responsible business that is dedicated to actively engaging with local communities. To address the needs of society, we undertake projects designed to uplift the underprivileged.

**At Indus, we remain resolutely focused to work with diverse stakeholders including non-Governmental organizations, Government bodies and others to create an equitable model for offering comprehensive and sustainable solutions to benefit the communities and society at large.**

## Year at a glance

Contribution of **₹984.23 Mn** towards CSR activities for FY 23 with ₹914.85 Mn spent on the projects and ₹69.38 Mn allocated towards ongoing projects

Strengthened our CSR pillars through 20 CSR programs spread across:

- Education and Skill Development
- Community Empowerment and Livelihood
- Environment Sustainability and Swachh Bharat Abhiyan
- Disaster Relief and Rehabilitation Initiatives
- Other Need Based Initiatives

To encourage more inclusive development, we undertook special projects for women empowerment and differently abled people during the year:

- Exclusive women batches were introduced in DTV program to enable digital education and enhance livelihood
- Focused girl child education program
- Capacity building of more than 37,000 teachers and educators with more than 53% women
- Scholarships program for differently abled students

Touched more than **9.85 Mn** lives

Covered more than **70** aspirational districts pan India

We take pride in our Personal Social Responsibility (PSR) program. This year through the program more than **800 employees** contributed their time, resource and skills towards community development initiatives touching **3,000+ beneficiaries.**

**Material issues**

Not a material issue as per materiality assessment

**Commitments & Targets**

Touch 150 Mn lives by FY 2030

**SDGs**


## Way forward

We have revised our CSR strategy to have a more focused approach and scale up the existing programs. CSR initiatives will be undertaken under two flagship programs- ‘Saksham’ and ‘Pragati’.

- ‘Saksham’ will focus on thematic areas of **Education, Empowerment of Girl Child, Digital & Creative Literacy and Skill Development** to make people self sufficient.
- ‘Pragati’ will focus on thematic areas related to **local community needs and Disaster Relief and Rehabilitation.**

Leveraging our pan India presence, we aim to drive inclusive development of communities and expand our presence in remote areas.

Encourage the adoption of PSR Program across our value chain. Together we can and should make a difference.

Launch an online tool for spreading awareness about the social programs amongst employees and other stakeholders. This will provide real time information on interventions sought for PSR and flexibility to the employees to contribute at their convenience. This will also enable better tracking of qualitative and quantitative outcomes.

# Corporate Social Responsibility

At Indus, we have always been steadfast in our commitment to social responsibility. With a deep understanding of the connection between sustainable development and societal well-being, we have consistently focused on interventions that empower the vulnerable sections of society.

## Vision

At Indus Towers Limited, we believe in playing an active role in transforming the lives of communities by improving their socioeconomic conditions.

By trying to improve the social fabric and driving long-lasting changes, our efforts not only impact the direct beneficiaries, but society at large. With the help of various stakeholders including NGO partners, we aim to serve the needs of economically weaker and disadvantaged sections of society in urban as well as rural areas.

### Robust governance framework to oversee activities

To ensure effectiveness and impact of our efforts, we employ a rigorous governance framework and monitoring mechanism that allows us to keep track of our activities. This approach guides us to scale up our efforts while adhering to all relevant regulations. Our CSR interventions support innovative and bold initiatives that align with India's sustainable development goals and Schedule VII of the Companies Act. This approach guides us to scale up our efforts while adhering to all relevant regulations. Our CSR interventions support innovative and bold initiatives that align with India's sustainable development goals and Schedule VII of the Companies Act.

## Pillars of CSR

Indus' CSR programs are focused on five pillars, through which we aim to benefit the community and support various need-based target groups.

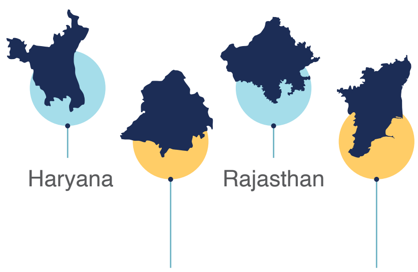
| Education and Skill Development | Environment Sustainability and Swachh Bharat Abhiyan | Community Empowerment and Livelihood | Disaster relief and Rehabilitation Initiatives | Other need-based Initiatives |
|---|---|---|---|---|
| • Quality education including inclusive education<br>• Reduced inequality | • Affordable and clean energy<br>• Decent work and economic growth<br>• Sustainable cities and communities | • Decent work and economic growth<br>• Rural and community development<br>• Eradication of poverty, hunger, rehabilitation and other needs | • Sustainable cities and communities | • Good health and wellbeing<br>• Other local community needs |
| Supporting Quality Education | Acting responsibly for future generations | Economically empowered society | Roles during disasters | Be a support to need-based communities |
| • Rural education<br>• Digital literacy for children and adults<br>• Scholarship for underprivileged children<br>• Scholarship for people with disabilities<br>• Vocational training for youth | • Environment conservation<br>• Livelihood promotion through Sustainable Energy<br>• Construction of public toilet facilities<br>• Behavior change communications | • Livelihood opportunities<br>• Empowering women<br>• Rehabilitation of abandoned and parentless children<br>• Financial literacy and education<br>• Promoting Self-Help Groups | • Support the Government in disaster relief initiatives<br>• Rehabilitation initiatives<br>• Support in infrastructural requirements | • Contribution to food and nutrition requirements<br>• Other need-based programs |

# Education and Skill Development

## Quality Education

### Satya Bharti School Program

The flagship program of Bharti Foundation since 2006, the Satya Bharti School Program provides free, high quality education in the states below:




Today, the program runs across 125 Satya Bharti Schools, providing an excellent learning experience through infrastructure support like uniforms, textbooks, stationery, and meals. The program focuses on holistic development of children, empowering them and instilling strong cultural values. It encourages students and teachers to identify and address social issues in their communities, thereby contributing to their improvement.

**23,586**
**Students benefitted backed by 814 teachers**

**125**
**Satya Bharti schools**

**9**
**Districts covered across 4 states**

**814**
**Teachers trained**

### Satya Bharti Quality Support Program

In addition to the Satya Bharti School Program, the Satya Bharti Quality Support Project is designed to enhance the overall quality of Government schools to create a conducive and enriching educational environment in collaboration with state Governments. The initiative continues to transform schools into dynamic and cohesive learning institutions by providing comprehensive support to children, teachers, parents, and administrators.

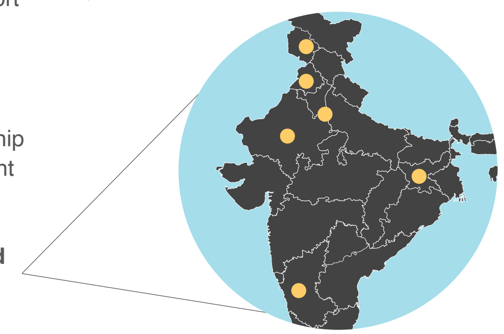
The program guides and assists teachers, supports school leadership in identifying areas for improvement with relevant goals. Currently, the project supports 530 Government schools across **Delhi, Jammu and Kashmir, Jharkhand, Karnataka, Punjab, and Rajasthan.**

**244,752**
**Students benefitted backed by 8,531 teachers**

**8,531**
**Teachers Supported**

**530**
**Government schools covered**

**28**
**Districts covered across 6 states**



The Bharti Foundation, a registered trust in New Delhi under the Registration Act of 1908 and is committed to creating and supporting programs that bring about sustainable changes through education and the use of technology for the underprivileged children and young people of our country to help them realise their potential.

## The initiative continues to transform schools into dynamic and cohesive learning institutions by providing comprehensive support to children, teachers, parents, and administrators.

• Impact Story

**K. Pavithra**

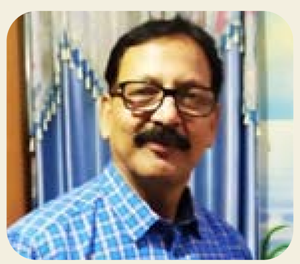
Sivagangai, Tamil Nadu

K. Pavithra's story exemplifies her perseverance and determination to overcome obstacles and thrive in her academic career. Starting as an average student who struggled to adapt to new teaching methodologies and socialize with her classmates, Pavithra gradually emerged as a confident and active participant in both academic and extracurricular activities. Through Satya Bharti School Program and with the support and encouragement of her teachers and peers, she took on responsibilities of being a group leader and class monitor.

As a result of her hard work and dedication, Pavithra's academic performance soared, consistently scoring above 90% in her exams.

Even during the pandemic, she utilized her free time to learn Bharatanatyam and achieved remarkable success in various stage programs, winning prizes and accolades. Her quest for knowledge and participation in online activities further fueled her growth and led to exceptional achievements, including winning second prize in a state-level speech competition and first prize in a state-level Bharatha Nattiyam competition. **Pavithra's aspires to become a doctor in the near future.**

• Impact Story



**Mr. Prakash Chandra Das**

Uttamit High School, Kumirdaha

Mr. Prakash Chandra Das, a senior teacher at Uttamit High School in Kumirdaha, exemplifies the power of taking steps in the right direction. With a lifelong passion for teaching and a desire to make a positive impact on society, Mr. Das found himself concerned about the students performance due to a lack of necessary arrangements. However, under the aegis of Satya Bharti Quality Support Program and Mr. Das's leadership, the school's curriculum and infrastructure were transformed. Introduction of different clubs, various activities and better infrastructure encouraged student participation in various activities and competitions. The impact is students won **48 awards** at the state, block, district, and inter-school levels competition. Additionally, the school successfully constructed a Foundation of Literacy and Numeracy classroom for younger students and developed an advanced kitchen garden and a **beautiful garden, creating a vibrant atmosphere for school.**



### Girl Child Education Program

The program empowers girls through learning centers in rural areas, focused on those aged 6-14 years who are not attending school or irregular to school, especially in areas where female literacy rates are exceptionally low. The single teacher-led primary learning centers is designed to cater to 30 girls and provides the most effective curriculum and pedagogy enabling transition to mainstream education. The program also focuses on capacity building of female teachers from the local community through training and academic support.

These learning centers, staffed by dedicated teachers, provide high-quality education to girls and ensure their successful transition to mainstream education. Community members and parents are also encouraged and made aware of the initiatives under the program. The Learning Centre's are also a converging point for the local village community as they learn about the importance of education for girls and break age-old shackles in girls' education. During FY23, the program covered 12,738 girls with 442 learning centers operative across 11 states.

IIMPACT, is an NGO s established in 2003 by IIM Ahmedabad alumnus and is registered under Societies Registration Act. The primary goal of the NGO is to provide quality primary education to the girl child in rural areas to enable access and participation in further education by engaging and empowering the community.

**12,738**

**Girl students benefited**

**403**

**Community women educators**

**19**

**Districts covered across 11 states**

**442**

**Learning centers**

• Impact Story

**Barsha**

The establishment of Learning Centers in Sindri village, Purulia, resulted in a positive impact within the community. Earlier, education was undervalued, with low attendance in schools, especially among girls. However, through the dedicated efforts of the teachers under the program did bring a change.

Barsha, a young girl who initially showed no interest in studying is now transformed into a bright student. **The positive change** in her thinking, reading and speaking abilities was visible to the teachers at learning centre and her parents. With the guidance and support of the teachers at the learning centres, Barsha's parents took the initiative to enroll her for school, that she now attends regularly. Despite their own illiteracy, Barsha's parents are thrilled to witness their daughter's deep engagement in studies and **take the right step towards a better tomorrow.**

**Library in a classroom program**

The program involves setting up libraries in Government schools to empower underprivileged communities across seven states in India namely Kerala, Gujarat, Uttar Pradesh, West Bengal, Bihar, Jharkhand, and Goa. The program establishes unique wall-mounted library that encourages children to engage with storybooks in an interactive manner. The library boasts a collection of over 100 multilingual storybooks, each featuring captivating narratives and visually appealing illustrations designed to attract young readers. In addition to setting up libraries, the project supports the capacity building of librarians and educators to activate the optimal and engaging use of books.

The program is implemented by Pratham Books. Pratham Books is a Public Charitable Trust that was set up in 2004 in Bangalore, India with a mission of putting 'a book in every child's hand'. The core purpose of our Organization is to publish low cost, high quality storybooks for children in multiple Indian languages to promote reading acquisition among children.

**532,114**

No. of students

**943**

Educators trained

**42**

Districts covered across 7 states

**2,800**

Government schools


## School bus to support educational needs of special school

Indus Towers supported access to education for students with disability with a 26-seater school bus, equipped with all necessary accessories, to the Jaycee Special School. Jaycee Special School in Kannur district of Kerala caters to 142 students with different types of disabilities including intellectual disability, autism, and Cerebral palsy in the age group of 5-18 for school students and 19-40 years of students for vocational training. In addition, during the year activities for the healthcare sensitization of children and teachers as well as creative pursuits were undertaken.

This project is being implemented by Impact Guru Foundation, a public charitable trust incorporated in 2014 and registered under the Indian Trust Act. The NGO supports numerous grassroots activities in the areas majorly focused on healthcare, education and the environment.


## Digital Literacy

**Gurushala and Smart Agri Program**

The Gurushala program endeavors to establish a space for learning and knowledge-sharing among educators, empowering them with innovative teaching methods and the skills to effectively integrate technology into classrooms with a goal to benefit teachers and students, across 10,000 schools in India. The program provides a comprehensive online platform for teachers to upgrade their teaching skills and leverage modern-day digital tools for imparting education. More than 12 Lakh students are benefitted through this program.

**35,392**

Teachers trained

**1,238,720**

Students covered

**648**

Districts covered

**36**

States including Union territory covered

**23,725**

No. of Digital Content Uploads

With innovative teaching methods and the skills to effectively integrate technology into classrooms with a goal to benefit teachers and students, across 10,000 schools in India.

### Smart Agri Project

Smart Agri project continues to transform conventional agricultural practices into smart agriculture methods to enhance the livelihoods of small farmers through sustainable farming approaches, deployment of IoT solutions and by improving their accessibility to technology.

It enables farmers with smart informative decision making, leading to an increase in production, better crop quality, reduction in water consumption, reduction in operational costs, better utilization of resources and so on. The principal crops under this project are sugarcane, soyabean, Tea, cotton, rice, wheat, mustard and vegetables. The farmers included in this project are provided regular support through training on good agricultural practices and receive real-time and localized advice on critical agri-inputs for their crops and agricultural news on markets, Government policies, and schemes including access to farm advisory which is in localized language via their mobile phones with audio options, for those who find reading a challenge. Through this timely advisory, the farmers are able to have a view of precise measures and are equipped to apply the right inputs at the right time in their farmland.

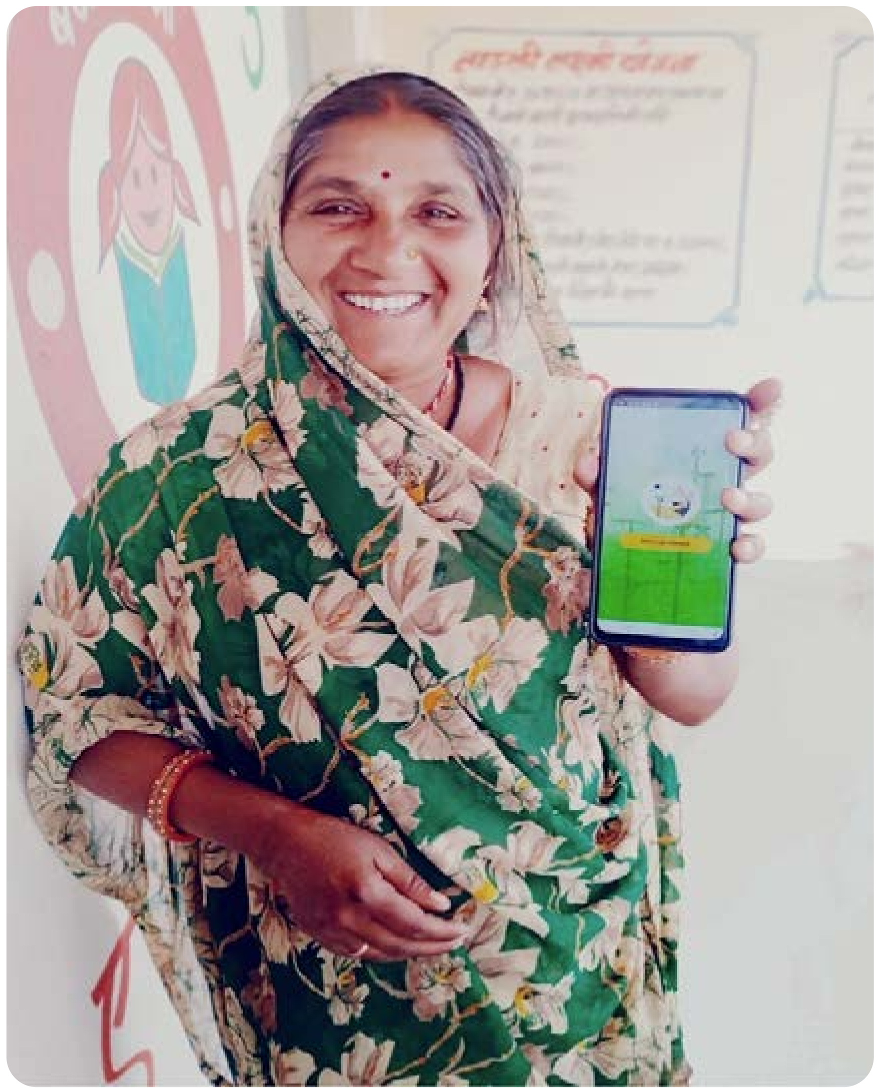
The principal crops under this project are sugarcane, soyabean, Tea, cotton, rice, wheat, mustard & vegetables.

**2,90,387**
**Farmers Benefited**

**34**
**Districts covered across 10 states**

**10**
**training centres**

Gurushala and Smart Agri program is being implemented by Vodafone Foundation, a charitable Company incorporated under the provisions of the Companies Act, 2013 in 2008. The organization implements and monitors various social development projects with key focus on Education, Agriculture, Livelihood and use of technology for the good of the society



**Impact Story**

**Seema Gupta**
Firozabad, Uttar Pradesh

Seema Gupta's passion for teaching and her dedication to making a positive impact on her students' is a story of its own. Seema was introduced to Gurushala by a former colleague, who informed her about the informative and innovative courses available for teachers. The Gurushala course module section helped her learn new skills and improvise her teaching skills.

**Gurushala played a crucial role** in her journey as a teacher by providing her with innovative teaching techniques, online content creation tools, and fun activities for her students. According to Seema, a 21st-century teacher should be adept at using ICT tools, be open to learning, and should be willing to explore new teaching methods. She expresses gratitude to Indus Towers and the Vodafone Idea Foundation for introducing her to activity-based teaching through the program, **which has significantly improved her students' learning experience.**

**Impact Story**

**Sita Meena**
Bhopal (Madhya Pradesh)

Sita Meena, a dedicated farmer from Khedi village in Bhopal, has been able to transform her agricultural practices through the SmartAgri program. As an agriculturist with a primary focus on sustainable farming, Sita recognized the importance of adopting intelligent farm techniques to make her land more profitable. With the knowledge and skills gained from the SmartAgri program, she implemented a vermicompost bed on her farm, which resulted in a substantial increase in crop quality and quantity.

Sita's family, initially skeptical about these modern techniques, became supportive after witnessing the positive results. Encouraged by her success, Sita expanded her farming activities to include wheat, soybeans, natural gum, and various vegetables, while also producing her own organic liquid manure and biopesticides. This shift to organic farming not only improved the nutrition and health of her family, but also helped reduce household expenses. Recognizing the value of the SmartAgri program, Sita intends to leverage her newfound knowledge to modernize her farm further. Moreover, **she aspires to share her experiences and knowledge** with other female farmers in her village, who face similar obstacles due to a lack of proper information. Sita's goal is to empower these women to adopt sustainable farming techniques and enhance their own agricultural practices, **fostering a more prosperous and eco-friendly farming community.**

Through this timely advisory, the farmers are able to have a view of precise measures and are equipped to apply the right inputs at the right time in their farmland.

**Indus Towers Digital Transformation Vehicle (DTV) Program**

The DTV initiative aims to bridge the digital gap by offering information and communication technology (ICT) skills and awareness to various segments of society across Delhi, Dehradun and Bhopal. The program caters to a wide range of individuals, including rural and urban youth, school children, women and community beneficiaries. The goal is to provide quality digital education, training, and common public services to rural and urban population, thereby improving their digital literacy and awareness on various topics. This Initiative has benefitted more than 13,000 individuals during the year in each of the three locations namely Delhi, Dehradun and Bhopal, by providing relevant digital skills, mass literacy, awareness on Government schemes and other need based community programs. More than 220 certification course batches were conducted during the year.

The 'Digital Transformation Vehicle' (DTV), a 20-seater solar-equipped bus with monitors, keyboards, headphones, and other necessary tools is facilitating learning among the stakeholders. The content provided in the DTV is tailored to specific courses that enhance its effectiveness for stakeholders it caters to.

DTV Program is implemented by NIIT foundation, an NGO set up in 2004 with a mission to positively impact the underprivilieged of the country through educational initiatives and employability skill development programs.

**39,882**

**Beneficiaries**

**8**

**Exclusive women batches**

• Impact Story

**Kanchan Lata Singh**

Delhi

Kanchan, a woman from Delhi's Meet Nagar, has defied physical challenges caused by polio to pursue her dream of becoming independent and supporting her family. With the guidance of a friend from the Delhi police, she enrolled in the free computer courses offered at DTV. Despite initial hesitations, Kanchan completed the Digital Empowerment course building a strong foundation in computer skills, boosting her confidence and ability to handle online tasks. **Equipped with these essential skills**, she applied for data entry operator job and today encourages others to benefit from the program which is easily accessible and free computer education is imparted. **Kanchan's journey exemplifies her determination, gratitude, and commitment to lifelong learning.**


## Skill development and livelihood enhancement for the dependents of J&K police martyrs

Indus Towers along with the Government launched the program in Jammu and Srinagar aimed at enhancing the digital literacy skills of 50 wards of J&K police martyrs with a goal of increasing their employability and helping them secure employment opportunities. Government supported in identifying the right beneficiaries for the program. Two separate student batches for Jammu and Srinagar were formed imparting digital education in their respective places.

The program consists of 60 days of comprehensive training, which empowered 50 beneficiaries with the necessary skills and knowledge to excel in today's digital world. Indus Towers implemented the program with Impact Guru Foundation creating a positive impact on the society.

• Impact Story

**Asif Manzoor**

Badgam, Srinagar

Asif Manzoor, a resident of the Badgam district in Srinagar, belongs from a family of martyrs. With his mother as the sole breadwinner, working in the electricity department, Asif's life took a positive turn when he participated in the Skill Development Digital Literacy Program by Indus Towers. The program, a collaboration between Indus Tower, Impact Guru Foundation, and the J&K Police, equipped Asif with essential computer skills such as MS Office, Internet usage, cloud storage, Google Sheets, email, and PowerPoint.

Empowered by this training, Asif's confidence soared, and new doors opened before him. Under this program interviews were arranged, leading to his selection for a rewarding position at a prestigious Company with a decent salary package. **Asif deeply appreciates the transformative impact** of the Digital Literacy Program, recognizing that without it, securing this job would have been impossible. He extends his heartfelt gratitude to Indus Towers, J&K Police, and the Impact Guru Foundation for their **unwavering support and guidance in transforming his life.**

**Digital reading and library in a classroom program**

Goa Digital Reading program will guide and help readers develop a consistent habit of reading books. This ongoing program will focus on Listening, Speaking, Reading, and Writing (LSRW) skills. The StoryWeaver reading platform aimes Improve reading levels among students, building reading culture in schools, provide online access to reading content beyond curriculum-prescribed textbooks, providing exposure for readers to a variety of topics. There will be levels to reading and each level of the program will not only focus on LSRW skills and but will also covers topics ranging from social emotional skills, adventure, nature and environment, STEM and so on. This program is ongoing with Pratham Books.

This ongoing program will focus on Listening, Speaking, Reading, and Writing (LSRW) skills.

## Scholarship for Underprivileged Children

### Scholarship Program for Higher Education

The program provides scholarship to financially constrained but talented and bright students to pursue professional education in engineering in highly reputed institutions of India. This pan India program supports Annual Scholarship Awards. The Scholars are selected in accordance with selection criteria for academic excellence and family income and background. The scholarship program helps the scholar to pursue a career as a professional. The enhanced income earning capacity of the scholar helps him/her bring his family to better economic strata. This program is a transformative journey for the scholars and they act as 'Change Agents' and 'Role Models' in their communities and among their peers. Other people in the community are influenced by the scholars and are motivated to 'Dream Big' and are often motivated to pursue higher education. Scholars also act as mentors, guiding others in their community and motivating them to aspire for a better life.

**101**
Scholars benefitted

**22**
States covered

**78**
Districts

The program is implemented by Foundation for Excellence (FFE) India Trust that provides educational support and assistance by awarding scholarships to academically bright and financially needy students pursuing professional education in India.

• Impact Story

**Laishram Pamel Singh**
BTech, National Institute of Technology, Rourkela

Laishram's inspiring story showcases the transformative power of determination and resilience.

Despite all challenges that included his father's illness and financial constraints, Laishram's focus on his dreams propelled him forward. With his exceptional academic performance, he was awarded the admission to NIT, Rourkela. Setting his course for engineering, **he was sponsored for his engineering course** under the program. He aspires to set up a Company in the future and **create job opportunities for future generation.**

> The Scholars are selected in accordance with selection criteria for academic excellence and family income and background. The scholarship program helps the scholar to pursue a career as a professional.

### Indus Towers Scholarship Program for students with Disability

To reduce inequality and promote inclusivity, Indus Towers provides scholarships to students with disability in the age group of 14-30 years to pursue their studies. Indus Towers Scholarship program (ITSP) not only provides scholarships but also provides need-based support in transport, accommodation, study materials, and assistive device allowances on a case-to-case basis. This program covers 21 types of disabilities and aims to support 600 disabled students by FY 25.

During the year 168 students from eight Northeastern states were offered scholarships along with 12 students from Jharkhand, Rajasthan, Maharashtra, Andhra Pradesh, Telangana, Haryana, Madhya Pradesh, Bihar and Uttar Pradesh.

**180**
Students with disability were provided scholarship

**69**
Districts covered

**17**
States covered

Shishu Sarothi, a non-profit organization registered under the Societies Registration Act, 1860, provides services with a vision for an inclusive world where people with disabilities enjoy human rights and fundamental freedoms on an equal basis with others, are respected for their inherent dignity, and are valued as a part of the human diversity and humanity.

• Impact Story

**Thangmonlal Hanshing**
Kangpokpi, Manipur

Thangmonlal Hanshing's remarkable journey is a testament to the power of determination and resilience. Despite battling post-polio residual paralysis, he refused to let his disability define him. Thangmonlal faced discrimination and was ridiculed from society due to misconceptions and superstitions surrounding disabilities. However, he focused on his studies and personal growth, ultimately graduating with honors in Political Science. Along with his academic pursuits, he worked as an office assistant and actively volunteered in disability forums, advocating for equality and inclusion.

Thangmonlal's passion for sports led him to become a champion in arm wrestling and a runner-up in volleyball at a state-level sports meet for people with disabilities. Driven by his growing interest in computers, he pursued a Diploma in Computer Application through a scholarship supported by Indus Towers Scholarship Program. While he initially planned to open a DTP shop, fate intervened, and he secured a prestigious position as an Officer AO & CS at Indigo Airlines through an opportunity presented by the Indus Towers Scholarship Program. **Thangmonlal gratefully acknowledges the support** of Indus Towers Ltd. and Shishu Sarothi, which has not only facilitated his education but also brought him **confidence and respect within his family and society.**

# Environment Sustainability and Swachh Bharat Abhiyan

## Energy Access for Livelihood Promotion

This program in association with TERI provides an alternative source of electricity to the weaver in Uttar Pradesh by providing integrated technology of Hybrid Solar Charging Units (HSCU) which is powered by solar and grid. This is an innovative approach to counter the problems related to cost, drudgery, pollution and situation of weavers. The primary objective is to increase their productive hours, resulting in higher incomes for the weavers. The HSCU is being installed at Weaver's household. Each hybrid system is sufficient to support 4 power looms.

Under this ongoing program 37 units of Hybrid solar charging units without SMPS were installed, providing power supply to 148 power looms, impacting the lives of 592 individuals. Additionally, 36 units of Hybrid solar charging units with SMPS were installed, providing power supply to 144 power looms and impacting the lives of 576 individuals.

**292**

**Weavers**

**73**

**Hybrid solar charging units**

TERI is a society registered under the Indian Societies Act 1860. TERI is a not-for-profit, research organization involved in inter-disciplinary activities for conducting of scientific research and development in the fields of energy, environment and sustainable development

• Impact Story

**Arvind Jaiswal**
Ghamapur, Varanasi

Arvind Jaiswal's inspiring journey showcases the remarkable impact of resilience and adaptability. Faced with a declining customer base for his family's floor mill, Arvind harnessed his entrepreneurial spirit and ventured into power loom weaving. Through determination and hard work, he overcame his initial challenges and installed his own power loom. Recognizing the issue of power cuts, Arvind sought a sustainable solution and successfully installed a hybrid solar charging unit under Indus Tower's Energy Access project. **It helped reduce electricity bills and ensure an uninterrupted power supply.** The efforts not only improved his family's financial condition, but also created job opportunities for weavers, contributing to the local economy. Arvind's story is a testament to the transformative power of **embracing new opportunities and leveraging sustainable solutions in the face of adversity.**



## Research and Development of Battery Management System and Hydrogen with Solar Integration with IIT – Madras

Indus supported Research & Development project in Battery substitute. The Li-ion based battery technology currently, is the most preferable energy storage option, for large-scale electrical energy storage (LEES). To keep the battery pack at its optimal performance and enduring cell life, heat generated inside the battery pack should be quickly rejected to the environment in a sustained manner. An inherent property of Li-ion system, the cells contain flammable materials and are more susceptible to thermal runaway. Thus, Battery Thermal Management System (BTMS) facilitates the crucial function of dissipating the generated heat and thus aids maintaining an optimal operating temperature.

The purpose of the Research and Development project in Hydrogen with Solar Integration is to generate hydrogen from renewables and use it for powering stationary systems and also to build a solar powered hydrogen generation system coupled with fuel cells to power the load. The two research and development projects are being undertaken by Indian Institute of Technology Madras (IITM)

IIT Madras is an academic and research institute constituted by the Government of India under the Institutes of Technology Act 1961. It is recognized as an Institute of National Importance and ranked among the most prestigious academic institutions in India.

> Battery Thermal Management System (BTMS) facilitates the crucial function of dissipating the generated heat and thus aids maintaining an optimal operating temperature.

## Pond Restoration and Rejuvenation Project

This project focuses on addressing the issue of declining groundwater levels and to revive and rehabilitate ponds in Haryana in association with the Government of Haryana. This project is undertaken in association with Haryana State CSR Trust. It is an ongoing effort and will involve treating the incoming wastewater prior to its release into the pond. The restoration of the pond is expected to enhance the natural scenic beauty of the surrounding area and create a hub for promoting biodiversity, as well as offering information on the local flora and fauna.

Haryana State CSR Trust under the aegis of Department of Finance, Government of Haryana is a trust established on March 31st 2021, playing an instrumental role in this project.

> This project is undertaken in association with Haryana State CSR Trust. It is an ongoing effort and will involve treating the incoming wastewater prior to its release into the pond.

# Community Empowerment and Livelihood

## Project Nurture

Indus Towers provides essential support and care to abandoned and parentless children under Project Nurture. The program continues to build a strong foundation for these children by offering long-term family-based care, ensuring their holistic development and empowerment, and providing access to quality education and basic amenities such as nutritious food, clothing, shelter, healthcare, and medication in SOS Children's Village. The focus of this program is to create a safe environment for children where they can grow up happily, and have access to opportunities for a secure future.

**530**
Children benefitted

**53**
SOS mothers

**53**
Family homes

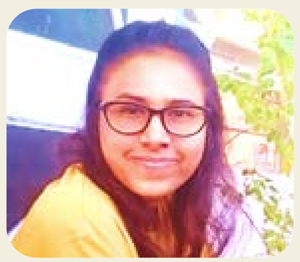
**17**
States

**21**
Districts

> The focus of this program is to create a safe environment for children where they can grow up happily, and have access to opportunities for a secure future.

SOS Children's Villages of India is a non-governmental organization that has been registered since 1964 under the Society Registration Act 1860. Its mission is to provide a stable and nurturing environment for parentless, homeless, and abandoned children living in villages across India, with the goal of helping them become independent and contributing members of society.

• Impact Story



Nirmali Bharali
Guwahati

Nirmali Bharali, a 24-year-old resident of SOS Children's Village Guwahati, is a shining example of dedication. Deeply attached to her SOS mother, Nirmali cherishes her younger SOS siblings and enjoys playing with them whenever she visits the village. Among the various festivals celebrated at the SOS Children's Village, Bihu holds a special place in her heart. Diligent and active in extracurricular activities, she completed her Master's in Business Administration from Banasthali Vidyapeeth, Jaipur, in 2021. **With the support of Project Nurture, she secured a position as a 'Recruitment Researcher Trainee'** in Ghaziabad, Uttar Pradesh, earning a respectable income. She expresses heartfelt gratitude to Indus Towers and SOS Village for supporting her in **accomplishing her dreams and creating a bright future.**



## Safety and Protection of the Community Through Digital E-Beat

Indus Towers supported safety and protection of the community through Digital E-Beat application system of Haryana Government. In this program the beat riders monitor activities in the designated areas and take all necessary measures to ensure community safety. By utilizing this system, the beat rider's movements can be tracked digitally, and all related data will be stored securely in a digital format. The system enabled the beat riders to monitor activities in the designated area and take all necessary measures to ensure community safety. During the year 1,168 senior citizens benefitted from the program. This has been possible in collaboration with The Haryana State CSR Trust.

### Mobile Ambulance Health Van

We are committed to the well-being of the community to facilitate the provision of essential health services to the communities residing in the states of Kerala, Gujarat, Uttar Pradesh, and West Bengal, by deploying 10 mobile health vans. In collaboration with the Government, the project continues to provide service in need-based areas including health centers/hospitals.

The project seeks to bolster emergency response capabilities and aid in the transportation of patients requiring medical attention, vaccinations, and other healthcare services to designated Government Hospitals and Health Departments. The project has been implemented in association with Impact Guru Foundation.

### Digital Health Kiosk

Indus Towers has initiated Digital Health Kiosk program for the well-being of the community, commonly known as Health ATM. This program empowers the community with convenient access to primary and preventive healthcare services. Beneficiaries can walk-in to the nearby Health ATM for a quick health assessment, consult with the doctor via telemedicine, and receive prescription and health reports instantly. This Advance Health ATM model has mainly 3 parts - Kiosk module, Doctor module, Patient module and covers 60 plus non-Invasive and Invasive parameters that can be checked instantly and comes with a dedicated admin panel to monitor the various deployments. Under this ongoing initiative 44 Health ATMs will be installed at Lucknow, Gorakhpur and Varanasi in association with the Government and Impact Guru Foundation

### Har Ghar Tiranga

Indus Towers actively participated in Government's efforts towards promotion of education relating to culture by organising Har Ghar Tiranga Campaign. The campaign was part of the Azadi Ka Amrit Mahotsav to encourage people and invoke the feeling of patriotism in the hearts of people and to promote awareness about the Indian national Flag. Indus distributed 28,000 National Flags and celebrated with people of Delhi/NCR and Mumbai by hosting The National Flag as a position of honor to mark the 75th year of India's independence. Community members actively participated, and this project reflected our strength of togetherness in connectives lives.

### Support paraplegic rehabilitation center to empower and rehabilitate paraplegic ex-servicemen

At Indus Towers, our social responsibility extended to the Armed Forces Flag Day Fund Secretariat (AFFDF SECTT) in an effort to provide rehabilitation to paraplegic ex-servicemen. The Indian defense forces play a crucial role in safeguarding the territorial integrity of the nation. While some of these brave soldiers lay down their lives in the line of duty, others suffer permanent disabilities due to injuries sustained during their service or due to other circumstances. In order to address the needs of these veterans, Indus Towers, as an ongoing project supports rehabilitation centers in Pune and Punjab to rehabilitate, empower and offer institutionalized treatment to benefit 106 ex-servicemen particularly with conditions like quadriplegia and paraplegia.

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### Disaster Relief and Rehabilitation Initiatives

During the year the installation and Commissioning of the oxygen generator in the Community Health Centre at Sahaspur, Dehradun was completed by Impact Guru Foundation. This program was initiated in association with Government to build capacities of hospital to provide uninterrupted oxygen supply with reliability, ease of operation, and safety, for the communities of Sahaspur and its nearby areas. Also, Mobile Health Unit and Logistic Van was provided to Municipal Corporation of Greater Mumbai, to support timely health care needs including vaccination and health drives for the Mumbai community. This program was implemented in association with Impact Guru Foundation and benefitted more than 3,900 individuals.



# Notable Achievements

### The CNBC TV18 & ICICI Lombard – India Risk Management Award

Indus wins the CNBC-TV18 & ICICI Lombard India Risk Management 'Masters of Risk – Telecom Sector' award for contributions made in the field of risk management.

### CII Champions Trophy – Platinum Category

Indus Towers Limited has won the 'Platinum Category' award for 'Routine Work Management of Field Workers with Mobile Application' at the third CII Champions trophy on Industry 4.0.

### Gallup Exceptional Workplace Award 2023

Indus Towers wins the Gallup Exceptional Workplace Award 2023 for the 10th consecutive year.

### The Golden Peacock Award for 2022

Indus Towers wins the Golden Peacock Award for Risk Management for the year 2022 for innovative risk management initiatives.

### Bharti Changemaker Awards 2022 (two awards)

Social Initiative Award for the Indus CSR Initiative 'Girl Child Education' Program' and Evangelist Award for Individual Contribution.

### M&G Circle Wins Award at the ISQ TOPS Convention 2022

Indus Towers has won yet another award at the Indian Society for Quality (ISQ) TOPS Convention, Pune Chapter, for an innovative QC story on the reduction of Rectifier Module (RM) failure through automated cleaning of RM.

### Indus Delhi Circle Wins Award at the ISQ Convention 2022

Delhi Circle won the 2nd Prize in Process Excellence Project at the Indian Society for Quality (ISQ) TOPS Convention, NCR Chapter. The innovative project focused on reducing complaints about repaired assets. Over 50 project companies across diverse industries participated in the competition.

### The first Company in India to receive the CII-WAREX Titanium rating for five warehouses

The CII Institute of Logistics has conferred on us the accreditation for WAREX Excellence and Certification. Indus is the only Company in India to have received five Titanium-rated and one Platinum-rated certification.

### Indus Karnataka Circle Wins the Special Jury Award

Karnataka Circle has won the Special Jury Award at the Team Oriented Problem Solving (TOPS) Convention, which was organized by the Indian Society for Quality - Bengaluru Chapter. The team presented their project, HPSC Sites TAT Improvement and Capex Reduction.

### British Safety International Awards

International Safety Award for demonstrating a strong commitment to good health and safety management.

Free to Enter Award which has been exclusively awarded to us for outstanding road safety initiative outside work premises.

**Indus wins 3 awards at 14th ELSC Leadership Awards Indus has been declared winners in the following three categories:**

### Outstanding Digital Transformation in Supply Chain

Digital Invoicing Initiative

### Warehouse Innovation / Initiative of the Year

WAREX certifications across warehouses

### Best Procurement Transformation

Centralizing GBPA & Automating PO Process

# 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

| | | |
|---|---|---|
| 1. | **Corporate Identity Number (CIN) of the Listed Entity** | L64201HR2006PLC073821 |
| 2. | **Name of the company** | Indus Towers 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** | 2022-23 |
| 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: Ms. Samridhi Rodhe<br>Email Id: compliance.officer@industowers.com<br>Telephone Number: +91 124 4296766 |
| 13. | **Reporting boundary** | Disclosures made in this report are on a standalone basis and pertain only to Indus Towers. |

### 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 of granting 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 Passive 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 is a passive infrastructure service provider for telecom operators Pan India. | 72 | 72 |
| International | N.A. At present, the Company is serving only the National market | | |

## 17. Markets served –

### a) Number of locations –

| Locations | Total |
|---|---|
| National (No. of states) | 36* |
| International (No. of countries) | N.A. |

**Indus Towers has PAN India locations.*

### 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) | 3,249 | 3,044 | 93.69% | 205 | 6.31% |
| 2. | Other than permanent (E) | - | - | - | - | - |
| 3. | Total employees (D + E) | 3,249 | 3,044 | 93.69% | 205 | 6.31% |
| Workers | | | | | | |
| 4. | Permanent (F) | - | - | - | - | - |
| 5. | Other than permanent (G) | 6,870 | 6,666 | 97.03% | 204 | 2.97% |
| 6. | Total Workers (F + G) | 6,870 | 6,666 | 97.03% | 204 | 2.97% |

*Total 6,870 manpower engaged through third party manpower contracts, have been classified as other than permanent workers. As these workers are contracted via third party, the necessary records are maintained by the manpower contract partner. Indus Towers ensures that these manpower contract partners meet the compliances and statutory requirements by conducting regular checks and audits. Accordingly, the data in this report pertains to the permanent employees and other than permanent workers to the extent available with 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) | 15 | 15 | 100% | 0 | 0% |
| 2. | Other than permanent (E) | - | - | - | - | - |
| 3. | Total employees (D + E) | 15 | 15 | 100% | 0 | 0% |
| Differently abled Workers | | | | | | |
| 4. | Permanent (F) | - | - | - | - | - |
| 5. | Other than permanent (G) | 09 | 08 | 88.89% | 1 | 11.11% |
| 6. | Total Workerss (F + G) | 09 | 08 | 88.89% | 1 | 11.11% |

19. Participation/inclusion/representation of women –

| Description of main activity | Total (A) | No. and % of females | |
|---|---|---|---|
| | | No. B | % (B/A) |
| Board of Directors | 14 | 2 | 14.29% |
| Key Management Personnel* | 2 | 1 | 50% |

*excluding the Board members*

20. Turnover rate for permanent employees and workers –

| | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male (A) | Female (B) | Total (C) | Male (A) | Female (B) | Total (C) | Male (A) | Female (B) | Total (C) |
| Permanent employees | 19.1% | 27.6% | 19.6% | 19.0% | 34.8% | 20.0% | 15.1% | 15.7% | 12.7% |
| Permanent workers | Not Applicable | | | | | | | | |

## V. Holding, subsidiary and associate companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures –

| S. No. | Name | 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 |

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes

(ii) Turnover (in ₹ Millions) – 283,818

(iii) Net worth (in ₹ Millions) – 184,994

## VII. Transparency and Disclosure Compliances

a. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC) –

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|---|
| | If Yes, then provide web-link for grievance redress policy | 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 | 2 | 0 | 4 | 0 |

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|---|
| | | 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* |
| Employees and workers | Yes | 114 | 10 | 87 | 12 |
| Customers | Yes | Nil | Nil | Nil | Nil |
| Value chain partners | Yes | 12 | 1 | 18 | 4 |
| Landlords | Yes | 11 | 0 | 12 | 0 |
| Others | - | 90 | 23 | 44 | 7 |
| Consumer complaints** | - | 5 | 22 | 5 | 19 |
| **Total** | | **234** | **56** | **170** | **42** |

** Number of complaints pending resolution at close of the year are total complaints pending whether filed during the year and in any previous Financial Years.*

*** 22 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. Further, it may be noted that cases reported under last year's report were inadvertently mentioned for FY 2020-21 in FY 2021-22 and vice versa.*

*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 the Compliance Officer through a dedicated email, compliance.officer@industowers.com. For financial queries, the Investors can also reach to the Investor Relation Head at ir@industowers.com.*

3. *Employees and Workers: Indus has adopted an Ombudsman Policy/ Whistle Blower Policy that provides a mechanism for employees and 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 I Indus Towers and Email - 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 and monthly basis to receive and respond to the needs and queries of customers as well as take their feedback. Some of these connects are enumerated below:*

   - *Corporate and 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 Goverance I Indus Towers and Email - 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. 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.*

23. 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 conducted its comprehensive materiality assessment in FY 2021-22 to identify its ESG related material topics. 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 | **Opportunity**<br>Development of alternative energy solutions<br>**Risk**<br>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. | Our processes are aimed at making our sites diesel free and using electricity from renewable energy sources. We are installing solar sites, deploying energy storage solutions and exploring greener technologies such as aluminum-air based clean energy generation to decarbonise our business. | **Positive**<br>• Investments in green energy technologies and solutions are increasing keeping in view environnment and sustainability concerns, which is cost effective in the long run.<br>**Negative**<br>• 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. |
| 2 | People Practices | Opportunity and risk | **Opportunities**<br>• Well established people practices benefit in high productivity<br>• Positive branding to help attract and retain talent<br>• Preferred partner by Contractors<br>• Highly motivated and skilled employees will enable innovation, improved service delivery, and enhance customer satisfaction<br>**Risks of poor people practices:**<br>• High attrition<br>• Inability to deliver quality services<br>• Reputational risk from adverse culture<br>• Legal issues over non compliance to labour laws. | We have a structured framework to drive our people practices for the benefit of our employees.<br>The framework offers training and competency development programs, employee engagement and well being, rewards performance, promotes diversity and inclusion and ensures adherence to human rights principles. Refer Human Capital for details of people practices followed at Indus Towers. | **Positive**<br>• High productivity and people interest in the Company results in cost efficient operations<br>**Negatives**<br>• Non-compliance with labour laws and regulations may lead to monetary penalties.<br>• Loss of our valuable high performing employees or inability to attract and retain employees may affect the Company's business and prospects.<br>• Higher attrition or poor perception of the Company image may inflate the cost of hiring people. |

| 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 | **Risks**<br>• Ill health caused by occupational diseases or accidents at site can cause disruption to operations and result in poor individual and organizational performance.<br>• Technicians working in the field are exposed to occupational safety and health risks<br>• Negative impact on brand reputation | • Training on best practices is provided to the technician.<br>• We conduct safety and wellbeing workshops.<br>• 100% coverage of health insurance and term insurance is ensured for all manpower. | **Negatives**<br>• Poor health of people can result in long-term financial costs for the business.<br>• 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.<br>• To avoid accidents, we may have to modify design of our products which may result in additional investment or increase in cost. |
| 4 | Waste Management | Opportunity and Risk | **Opportunity**<br>• Reduction in waste generation through efficient consumption of resources<br>**Risk**<br>• Levy of penalty if the prescribed standards and regulations are not met | We ensure recovery of both hazardous and non-hazardous wastes from the sites.<br>Refer waste management practices in Natural Capital at Indus for more details. | **Positive**<br>• 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.<br>**Negative**<br>• Any mishandling of hazardous waste may pose a threat to people's health or non-compliance. The aforesaid outcome may have negative financial implication. |

## SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

| S. No. | Principle Description |
|---|---|
| **P1** | Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable |
| **P2** | Businesses should provide goods and services in a manner that is sustainable and safe |
| **P3** | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| **P4** | Businesses should respect the interests of and be responsive to all their stakeholders |
| **P5** | Businesses should respect and promote human rights |
| **P6** | Businesses should respect and make efforts to protect and restore the environment |
| **P7** | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| **P8** | Businesses should promote inclusive growth and equitable development |
| **P9** | Businesses should engage with and provide value to their consumers in a responsible manner |

| | Disclosure questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Policy and management processes** | | | | | | | | | |
| 1. | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | b. Has the policy been approved by the Board? (Yes/No) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | c. Web-link of the policies, if available. | Refer to Note 1 | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes. The Company's Code of Conduct and Code of Conduct for Business Partners 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 27001:2022 - Information Security Management System<br>ISO 27017:2015 - Information Security Controls for Cloud Services | | | | | | | | |
| 5. | Specific commitments, goals, and targets set by the entity | Refer to Note 2 | | | | | | | | |
| 6. | Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met. | | | | | | | | | |

| Disclosure questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governance, leadership, and oversight** | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | Refer to page 11 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.<br>The Committee comprises following members as on March 31, 2023:<br>1) Ms. Sonu Bhasin, Independent Director- Chairperson<br>2) Mr. Prachur Sah, MD & CEO- Member<br>3) Mr. Randeep Sekhon, Non-Executive Non- Independent Director-Member<br>4) Mr. Thomas Reisten, Non-Executive Non- Independent Director-Member | | | | | | | | |
| 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. | | | | | | | | | |

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 of the statutory requirement is monitored quarterly by the Audit Committee and the Board. | | | | | | | | |
| 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, Code of Conduct for Business Partners

P2- Code of Conduct, Code of Conduct for Business Partners

P3- Human Right Policy, Environment Health and Safety Policy 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- Human Right Policy, 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, Code of Conduct for Business Partners

P7- Code of Conduct

P8- Corporate Social Responsibility Policy, Code of Conduct

P9 – Code of Conduct and Information Security Policy

**Note 2:**

During the Financial Year 2021-22, the Company had undertaken a comprehensive materiality assessment and stakeholder engagement exercise to identify its environmental, social and governance (ESG) priorities. Insights gathered through stakeholder engagement were assessed to develop the materiality matrix and arrive at the final list of ESG focus areas. The result of this assessment was considered for defining the ESG targets of the Company.

The Company has been taking significant steps to integrate ESG priorities in its operations. The Company has re-evaluated and strengthened its long-term ESG targets for prioritized material topics as follows:

| S. No. | Metric | Target | Mapped NGRBC Principles |
|---|---|---|---|
| **Environment** | | | |
| 1 | GHG Emissions | Net-zero greenhouse gas emissions by 2050 in line with climate science with the Science Based Targets initiative ('SBTi')* | P2 & P6 |
| 2 | | Increasing share of non-DG sites to ~30% by Financial Year 2025 | P2 & P6 |
| 3 | Renewable Energy | Portfolio of more than 5,000 solar sites by Financial Year 2024 | P2 & P6 |
| 4 | Waste Management | Ensuring 100% of hazardous battery waste and e-waste generated in our operations is reused, recycled, or safely treated for recovery each year | P2 & P6 |
| **Social** | | | |
| 5 | Diversity & Inclusion | Increasing share of women employees to 10% by Financial Year 2025. Aspiring to increase it 5x over medium to long term | P3 & P5 |
| 6 | Health & Safety | Compared to Financial Year 2023, 50% reduction in Loss Time Injury by Financial Year 2025 | P3 |
| 7 | | ISO 45001 certification by Financial Year 2025 | P3 |
| 8 | People Practices | Human Rights training to all employees by Financial Year 2024 | P3 & P5 |
| 9 | Community Development | Positively touch 150 Mn lives in medium to long term (Financial Year 2030) | P4 & P8 |
| **Governance** | | | |
| 10 | Stakeholder Engagement | Periodic materiality assessment to prioritise ESG focus areas | P4 |
| 11 | Sustainable Supply Chain | ESG compliance by suppliers and partners | P2, P3, P4 & P5 |
| 12 | Business Continuity Plan | Extend Business Continuity Plan to critical functions in addition to Operations and IT | P6 & P9 |
| 13 | Climate risk assessment | Undertake the assessment of climate-related risks and opportunities and make disclosures by Financial Year 2025 | P2 & P6 |
| 14 | Building culture of sustainability | ESG Advance level training to all employees by Financial Year 2024 | P2 & P3 |

*Notes:*

**Validation of the medium term and net zero targets by SBTi will be undertaken within 2 years and subsequently disclosed*

**The performance of the company against the specific targets will be reported Financial Year 2024 onwards.*

**Further, please refer to various capitals in the 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 Q1 is Yes. All the principles are covered by a policy. Hence this question is NA to Indus Towers.

## SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

**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. During the year, Company has published separate Code of Conduct for Business Partners. 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 Indicators

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* |
|---|---|---|---|
| Board of directors | 4 | 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. | 100% |
| Key managerial personnel** | 6 | 1) Anti-Bribery & Anti-Corruption (ABAC)<br>2) Indus Code of Conduct (2021) - (online)<br>3) Information Security Management System<br>4) KAVACH Safety Training (ZERO Height & Electrical Accident) - (Online)<br>5) Prevention of Sexual Harassment (POSH) - (Online) | 1) Anti-Bribery & Anti-Corruption (ABAC) **100%**<br>2) Indus Code of Conduct - (online) **100%**<br>3) Information Security Management System **66.67%**<br>4) KAVACH Safety Training (ZERO Height & Electrical Accident) - (Online) **100%**<br>5) Prevention of Sexual Harassment (POSH)_2021 - (Online) **100%** |
| Employees other than BoD and KMPs | 6 | 1) Anti-Bribery & Anti-Corruption (ABAC)<br>2) Indus Code of Conduct - (online)<br>3) Information Security Management System<br>4) KAVACH Safety Training (ZERO Height & Electrical Accident) - (Online)<br>5) Prevention of Sexual Harassment (POSH) - (Online)<br>6) ESG- Level 1 Certification- (Online) | 1) Anti-Bribery & Anti-Corruption (ABAC) **99.96%**<br>2) Indus Code of Conduct - (online) **99.57%**<br>3) Information Security Management System **99.45%**<br>4) KAVACH Safety Training (ZERO Height & Electrical Accident) - (Online) **99.5%**<br>5) Prevention of Sexual Harassment (POSH) - (Online) **99.63%**<br>6) ESG Level 1 Certification- (Online) **66.5%** |
| Workers*** | Nil | | |

** % of persons in respective category covered, means person who have attended the respective trainings.*

*** including MD & CEO of the Company*

**** The Company has launched new Human Resource Management System namely uKnowva for its Workers and training(s) will be held in FY 2024.*

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 FY23. (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 any 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. The Anti-bribery Policy is available on the intra-net of the Company and the Code of Conduct of the Company is available on the website of the Company at https://www.industowers.com/about/#code-of-conduct.

5. **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption –**

   Nil

6. **Details of complaints with regard to conflict of interest –**

   There was no complaint with regard to conflict of interest.

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 as there was no such case.

## Leadership Indicators

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 Categories | Electrical safety trainings for O&M partners, Safety training for Projects, TQM and Quality Assurance training | ~20% |

**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.

The 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 efficient utilisation, 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.

| | FY 2022-23 | FY 2021-22 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R & D | Nil | Nil | - |
| Capex | 3.97 %, of total capex for the year | 2.7% of total capex for the year | During the year the Company has made capex investment on energy conservation initiatives and 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. |

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 has built sourcing strategy beyond a conventional and traditional value supply chain, for being efficient in cost, quality and delivery time, maintaining integrated strategic objective of ethics, labour rights, safety and green procurement across the supply chain spread across geographies and regional clusters.

Whenever a new partner is onboarded, its facilities and processes are audited holistically including ESH metrics. Partners are also being monitored on a regular basis for adherence to policies laid down to ensure responsible sourcing, backed with mandatory annual certification for CoC.

This year top partners were assessed on ESG framework to give scoring w.r.t. ESG Maturity, conduct Gap Analysis and accordingly devise an action plan to improve their scoring. Indus endeavors to continue monitoring and improving individual performances of Indus Partners.

**b. If yes, what percentage of inputs were sourced sustainably?**

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 aspects.

Our monitoring and improvement programs are custom designed to the nature of our engagement with partners. For instanc, Supply/Infra partners are onboarded post assessments (that go beyond a traditional approach) duly encompassing the assessment of their plant, 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 and 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.

**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 (WH) 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 item validation by 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/RPDI process.

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) (CSDC). 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 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 over talent through a compelling employee value proposition, reconstructing its ways of working and people policies to stay ahead of the curve.

## Essential Indicators

1. a. 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) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 3,044 | 3,044 | 100% | 3,044 | 100% | NA | NA | 3,044 | 100% | NA | NA |
| Female | 205 | 205 | 100% | 205 | 100% | 205 | 100% | NA | NA | 205 | 100% |
| Total | 3,249 | 3,249 | 100% | 3,249 | 100% | 205 | 6% | 3,044 | 94% | 205 | 6% |
| Other than Permanent employees – Indus Towers has all permanent employees. Hence, this is NA. | | | | | | | | | | | |

b. Details of measures for the well-being of workers –

| Category | Total (A) | % of workers 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) |
| Permanent workers – Not Applicable | | | | | | | | | | | |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 6,666 | 6,666 | 100% | 6,666 | 100% | NA | NA | 6,666 | 100% | - | - |
| Female | 204 | 204 | 100% | 204 | 100% | 204 | 100% | NA | NA | - | - |
| Total | 6,870 | 6,870 | 100% | 6,870 | 100% | 204 | 2.97% | 6,666 | 97.03% | - | - |

2. Details of retirement benefits-

| Benefits | FY 2022-23 No. of employees covered as a % of total employees | FY 2022-23 No. of workers covered as a % of total workers | FY 2022-23 Deducted and deposited with the authority (Y/N/N.A.) | FY 2021-22 No. of employees covered as a % of total employees | FY 2021-22 No. of workers covered as a % of total workers | FY 2021-22 Deducted and deposited with the authority (Y/N/N.A.) |
|---|---|---|---|---|---|---|
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | No | 100% | 100% | No |
| ESI | 0% | 100% | Yes | 0% | 100% | Yes |
| Others – please specify | - | - | - | - | - | - |

3. Accessibility of workplaces

**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 organization. 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/policy/Code-of-Conduct-april.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.

The Company endeavors to offer equal opportunity to all its employees and not engage in or support discrimination in hiring, compensation, access to training, promotion or career advancement, termination or retirement, based on ethnic origin, position, color, race, caste, religion, disability, sex, sexual orientation, pregnancy or political orientation

5. Return to work and Retention rates of permanent employees and workers that took parental leave –

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 91% | Not Applicable | |
| Female | 100% | 70% | | |
| Total | 100% | 89% | | |

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*<br>Other than permanent workers<br>Permanent employees<br>Other than permanent employees* | 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.<br><br>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 ombudsman@industowers.com or can raise their concern through lodging any wrong doing through Corporate Whistleblower Initiative portal www.cwiportal.com.<br><br>For POSH related matters, incidents can be reported to the Chairperson – Internal Complaints Committee at secured hotline or through an email at harassment.response@industowers.com. 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.<br><br>Stakeholders also have access to the chairperson of the Audit & Risk Management Committee. |

** Not Applicable*

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, 2023, none of the employees of Indus was part of any collective bargaining as per the information available with the Company. No trade union has claimed any of Indus employees are their members.

8. **Details of training given to employees and workers –**

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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) |
| **Employees** | | | | | | | | | | |
| Male | 3044 | 3029 | 99.51% | 3021 | 99.24% | 3061 | 2043 | 67% | 3007 | 98% |
| Female | 205 | 205 | 100.00% | 201 | 98.05% | 187 | 79 | 42% | 179 | 96% |
| Total | 3249 | 3234 | 99.54% | 3222 | 99.17% | 3248 | 2122 | 65% | 3186 | 98% |
| **Workers** | | | | | | | | | | |
| Male | 6666 | 6666 | 100% | - | - | - | - | - | - | - |
| Female | 204 | 204 | 100% | - | - | - | - | - | - | - |
| Total | 6870 | 6870 | 100% | - | - | - | - | - | - | - |

**During the years under review, all new joinees undertook mandatory safety training.*

9. Details of performance and career development reviews of employees and workers –

| Category | FY 2022-23* | | | FY 2021-22* | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 2712 | 2712 | 100% | 3045 | 3045 | 100% |
| Female | 147 | 147 | 100% | 193 | 193 | 100% |
| Total | 2859 | 2859 | 100% | 3238 | 3238 | 100% |
| **Workers** | | | | | | |
| Male | 5018 | 5018 | 100% | - | - | - |
| Female | 145 | 145 | 100% | - | - | - |
| Total | 5163 | 5163 | 100% | - | - | - |

** Performance and career development review of the eligible employees was done during the Financial Year based on the performance of the previous Financial Year.*

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 OHS 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 OHS 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, warehouse audits, hygiene checks, safety at new build sites and PPE compliance check on the field.

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 a 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.

Indus has initiated target-based hazard reporting for each role for proactive identification of unsafe conditions and unsafe behaviors to avoid accidents.

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 the Corporate Office and all Circles Offices where the employees can avail the healthcare services. Tie up with doctors have 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 –

| Safety incident/number | Category | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked) | Employees | 2.08 | 1.44 |
| | Workers | 1.14 | 3.05 |
| Total recordable work-related injuries | Employees | 23 | 29 |
| | Workers | 32 | 79 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 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 –

| Benefits | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | 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 | Nil | | | | | |
| Health & Safety | | | | | | |

### 14. Assessments for the year –

| | % 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 processes 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 Electrocution 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 educate them in creating 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 objective 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. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total number of affected workers/ employees | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | NA | NA | NA | NA |
| Workers | NA | NA | NA | NA |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

**5. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 100%* |
| Working Conditions | 67%* |

**Considered Supply Partners and recurring Service Partners*

**6. 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.

Consequence management for violation of ESH practices defined is handled through a contracted framework for recurring and high business volume service. Permission to work is mandated to be obtained by service provider before initiation of any work at telecom sites. Mobile applications for all field staff are configured to periodically report for hazards and initiate trouble tickets for corrective actions on faults of potential hazard.

Indus and third-party employees working in the field are periodically being audited for usage of defined PPE while commuting and working at site and any non-compliance observed is addressed under consequence management matrix.

For supply partners, their manufacturing facilities are audited by third party for working conditions and safe practices. Observations made are tracked for correction and systemic solutions.

## 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 | • Townhalls and engagement activities<br>• Employee engagement surveys<br>• Communication through emails and letters | Ongoing | • Employee benefits<br>• Equal opportunities<br>• Recognition<br>• Learning and development<br>• Safety and well-being<br>• Performance review and career development |
| Customers | No | • Emails and Phone calls<br>• Regular Governance Meeting | Ongoing | • High network uptime<br>• Operational efficiency<br>• Innovative and sustainable solutions<br>• Customer feedback and resolution of their queries<br>• Collaborate with them for increasing the network footprints |

| 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 |
|---|---|---|---|---|
| Shareholders | No | • Investor meetings/ conferences<br>• Annual General Meeting<br>• Website updates<br>• Stock Exchange releases | Ongoing | • Plans to maximise returns to the shareholders<br>• Queries on financial and operational performance of the company<br>• Transparent disclosures of material events |
| Regulatory bodies | No | • Electronic correspondence<br>• Face to face meetings | Need based and ongoing | • Policy advocacy with concerned authorities<br>• Deliberations and inputs on regulations and policies that have bearing on our operations and businesses<br>• Inputs on consultation papers<br>• Amendment in existing regulations keeping in mind emerging technologies |
| Community | Yes | • Engage regularly with community representatives through emails and phone calls<br>• Participate in conferences, roundtable discussions and summits to widen the reach<br>• In-person events and community meetings | Ongoing | • Community development<br>• No negative impact of business operations on the community<br>• Community grievance redressal |
| Suppliers | No | • Electronic correspondence<br>• Supplier audits and visits<br>• Company's website<br>• Annual vendor Meet | Ongoing | • Resolving supplier queries<br>• Assessing supplier performance<br>• Supplier recognition and engagement activities<br>• Undertaking discussion on sustainability parameters |

## 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 last quarter of the year FY 21-22, Indus had 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 team 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 prioritizing ESG topics.
- Insights gathered through stakeholder engagement were analyzed to develop the materiality matrix and arrive at the final list of ESG focus areas. Results of this assessment were presented to the ESG Committee and the Board.
- The ESG Committee and the Board deliberated at length on the outcome / feedback. The outcome has been 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. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

Yes, as part of the materiality assessment exercise, Indus consults with its key stakeholders to identify and prioritise environmental and social issues that are material for Indus.

During the last quarter of FY 21-22, Indus had undertaken a comprehensive materiality assessment and stakeholder engagement exercise to identify material environmental, social and governance (ESG) topics.

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 mapped as High, Medium, and Low. The High priority areas included - GHG Emissions, People Practices, Health and Safety and the Medium priority areas included- Risk Management, Waste Management and Sustainable sourcing.

The inputs gathered from stakeholders during the engagement and as an outcome of the assessment were considered by the ESG Committee and the management to lay down the ESG Strategy of the Company. During the year, the Company finalized its ESG strategy prioritizing the focus areas under E, S and G. The Company has also established medium to long-term ESG Commitments. To deliver on these commitments, the Company has set measurable internal and external targets and is in the process of developing a roadmap to achieve them.

- To decarbonize its business, Indus has joined the race to reach net-zero greenhouse gas emissions by 2050 in line with climate science with the Science Based Targets initiative (SBTi). The Company is in the process of developing a decarbonization roadmap.
- To continuously make the business operations greener by exploring and expanding alternate energy solutions
- Indus is committed to driving zero harm in its operations thereby fostering a culture of safety
- To strengthen people practices, a separate Human Right Policy was published during the year, targets were taken on learnings and trainings, and on prioritising diversity and inclusion across its business and value chain
- To manage the waste responsibly, Indus has taken target to reduce/reuse/recycle 100% of waste
- Indus has taken up targets to engage with its supply chain and make it more sustainable and resilient. Published separate Code of Conduct for the suppliers during the year and conducted a survey of the top partners on ESG parameters to understand their awareness.
- Ambitious targets of touching and transforming lives and fulfilling corporate responsibility of developing communities

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Indus Towers through its CSR initiatives in association with implementing partners creates a positive impact on the lives of disadvantaged, vulnerable and marginalized communities.

Indus Towers has always been at the forefront of providing support towards social concerns under CSR pillars namely Environmental Sustainability and 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 caring for the community that 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, Quality Support Program and Girl Child Education Program have been initiated. Through these programs, the access to free and quality education in rural areas has been made easy to more than 290,000 children including focus on girl education. 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. Indus has also set-up Library in a classroom program where portable reading corners are set up in more than 2,800 Government schools with an aim to put 'a book in every child's hand' benefitting over 530,000 children.

To reduce the digital divide and 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 provides not only various digital certified courses but also awareness to community through mass literacy program and this year has supported around 40,000 beneficiaries with specific expansion focus on women digital Literacy. Indus also facilitated digital education and skill development to 50 dependants of J&K police martyrs. This year, Indus also trained more than 35,000 teachers pan India in innovative teaching practices and integrated technology in their classrooms through its Gurushala Program and benefitted over 1.2 million students.

To reduce inequality and promote inclusive participation, Indus provides scholarship to students with disability belonging to 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 180 students with disability. Support education of children with disability extended by providing school bus to Specially Abled school. Indus also provided scholarship to 101 academically qualified students from underprivileged community to pursue higher education in engineering.

To enhance the livelihood of more than 290,000 farmers, Indus through its Smart-Agri program demonstrates sustainable farming practices and use of Smart Technologies which helps to improve agricultural outputs and reduce the input costs for farmers by way of real time advisory information.

Indus Towers actively participated in Government's efforts towards promoting culture by organising Har Ghar Tiranga Campaign. The campaign was part of the Azadi Ka Amrit Mahotsav to encourage people and invoke the feeling of patriotism in their hearts and promote awareness about the Indian National Flag. Community members actively participated and this project reflected our strength of togetherness in connecting lives by hosting National Flag to mark $75^{th}$ Year of India's Independence.

Indus has associatied with government supported initiatives in Haryana to restore and rejuvenate ponds. This will evolve majorly into plantation, landscaping, dewatering of waste water, cleaning and uprooting of invasive species.

To empower and rehabilitate Paraplegic Ex-servicemen, Indus is supporting Paraplegic Rehabilitation Centres.

To provide safe environment for abandoned and orphaned children, Indus through its Project Nurture program supports 53 family homes of SOS Children's village for holistic development of 530 children along with 53 SOS mothers.

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 in Dehradun to serve the population in and around villages in Sahaspur. Indus has also initiated the program on Digital Health kiosk in addition to providing more than 10 Ambulance/Health vans for community well-being in Gujarat, West Bengal, Kerala, UP, Mumbai.

**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 ensure a harassment-free workplace. During the year, Company has published separate Code of Conduct for Business Partners.

## 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 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Permanent Employees | 3,249 | 3,235 | 99.6% | 3,248 | 3,223 | 99.2% |
| Other than Permanent Employees | NA | NA | NA | NA | NA | NA |
| Permanent Workers | NA | NA | NA | NA | NA | NA |
| Other than Permanent Workers* | Nil | Nil | NA | Nil | Nil | NA |

**The Company prepared a separate Human Rights Policy Document in FY 2022-23. Training(s) will be held in FY 2022-23.*

2. Details of minimum wages paid to employees and workers-

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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) |
| **Permanent Employees** | | | | | | | | | | |
| Male | 3,044 | 0 | 0% | 3,044 | 100% | 3,061 | 0 | 0% | 3,061 | 100% |
| Female | 205 | 0 | 0% | 205 | 100% | 187 | 0 | 0% | 187 | 100% |
| Total employees | 3,249 | 0 | 0% | 3,249 | 100% | 3,248 | 0 | 0% | 3,248 | 100% |
| Other than Permanent Employees | NA | | | | | | | | | |
| Permanent Workers | NA | | | | | | | | | |
| **Other than Permanent Workers** | | | | | | | | | | |
| Male | 6,666 | 0 | 0% | 6,666 | 100% | 6,252 | 0 | 0% | 6,252 | 100% |
| Female | 204 | 0 | 0% | 204 | 100% | 177 | 0 | 0% | 177 | 100% |
| Total workers | 6,870 | 0 | 0% | 6,870 | 100% | 6,429 | 0 | 0% | 6,429 | 100% |

3. Details of remuneration/salary/wages –

| Category | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | Refer to Annexure F of Board's Report. | | | |
| Key managerial personnel | | | | |
| Employees other than BoD and KMP | 3,042 | 944,500 | 204 | 1,121,000 |
| Workers | 6,666 | 294,000 | 204 | 306,294 |

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 in providing 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 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:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | 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 | 2 | Nil | - | Nil | Nil | Nil |
| Discrimination at workplace | Nil | | | | | |
| Child labour | | | | | | |
| Forced labour/Involuntary labour | | | | | | |
| Wages | | | | | | |
| Other human rights-related issues | | | | | | |

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**

| Category | % of your plants and offices that were assessed (by the entity or statutory authorities or third parties)* |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | 100% |

**Indus internally monitors compliance to 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.

## Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Our Internal Complaint Committee noted complaints filed by the employees for sexual harassment and took a measure to make people more sensitive towards such issues. We introduced 'Gender Sensitization' program and ran awareness campaigns to create an enabling environment of gender equity and educate our employees about exhibiting an appropriate behavior. Our workshop on gender sensitization program covered about 75% of the employees across our pan India offices.

2. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

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.

## 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, fossil fuel's elimination 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 –**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Total electricity consumption (A) | 28,232,085 | 27,563,470 |
| Total fuel consumption (B) | 10,707,769 | 11,341,938 |
| Energy consumption through other sources (C)* | 10,279 | 9,154 |
| Total energy consumption (A+B+C) | 38,950,133 | 38,914,562 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) in GJ/Rs** | 0.000137 | 0.000140 |
| Energy intensity per tower in GJ/ Tower | 196 | 209 |

**Energy consumption through other sources include electricity generated from our solar sites.*
***Energy intensity per rupee of turnover was reported in GJ/ Rs Mn for FY 2021-22 in last year's BRSR.*

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 2022-23 | FY 2021-22 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 456 | - |
| (iii) Third party water | 172,265 | 105,747 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 172,721 | 105,747 |
| Total volume of water consumption (in kilolitres) | 172,721 | 105,747 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.0000006 | 0.0000004 |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

4. **Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation -**

Given the nature of operations, this question is not applicable to us.

5. **Please provide details of air emissions (other than GHG emissions) by the entity -**

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| NOx* | Metric tonne | 6,146 | 6,539 |
| SOx | - | - | - |
| Particulate matter (PM) | Metric tonne | 318 | 337 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Carbon Monoxide (CO) | Metric tonne | 3,717 | 3,942 |

** The data also includes HC*

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity -**

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 802,509 | 849,689 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 5,567,995 | 6,048,650 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Metric tonnes of CO2 equivalent | 0.000022 | 0.000025 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | Metric tonnes of CO2 equivalent per tower | 32.0 | 37.0 |

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 in fulfilling 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.

  Apart from infrastructure sharing, Indus has undertaken the following programs to reduce greenhouse gas emissions:

- **Diesel elimination/reduction initiatives**
  - Battery storage solutions - Advance battery bank solutions- We have installed advanced VRLA (Valve-Regulated Lead-Acid) batteries and lithium-ion batteries to optimize energy consumption and reduce our reliance on diesel per site. Indus is also exploring opportunities in Vanadium batteries storage.
  - ID-OD Conversion - Indoor diesel generators (ID) to Outdoor diesel generators (OD) conversion eliminates the need for dedicated indoor spaces and ventilation systems, reducing the environmental impact associated with diesel usage.
  - Electrification of sites - During FY23, we prioritized electrification of non-electrified sites by connecting them to the electric grid. The initiative substantially reduced the reliance on diesel generators, leading to lower carbon emissions.

- DG free sites - We have deployed Lean Towers, that do not operate on diesel, thereby reducing carbon emissions.
- Alternate solutions - 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 Micro Grid
    - Exploring opportunities in Green Open Access
    - Piped Natural Gas – Pilot complete and under scale up stage.
    - Wind Turbine Solution – In pilot stage
    - Aluminum air storage – In pilot stage
- Other initiatives
    - 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.
    - 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.

All these energy efficiency initiatives collectively help us in optimizing 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 2022-23 | FY 2021-22 |
|---|---|---|---|
| **Total Waste generated** | | | |
| Plastic waste (A) | NA | NA | NA |
| E-waste (B) | (In Metric Tonness) | 3,599 | 2,820 |
| Bio-medical waste (C) | NA | NA | NA |
| Construction and demolition waste (D) | NA | NA | NA |
| Battery waste (E) | (In Metric Tonnes) | 30,891 | 27,522 |
| Radioactive waste (F) | NA | NA | NA |
| Other Hazardous waste. Please specify, if any. (G) | NA | NA | NA |
| **Other Non-hazardous waste generated (H). Please specify, if any.** | | | |
| Category [1$] | (In Metric Tonnes) | 5,702 | 4,403 |
| Category [2$$] | (In Metric Tonnes) | 11,712 | 13,739 |
| **Total (A+B + C + D + E + F + G + H)** | | 51,904 | 48,484 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) – [we are not recovering anything and we want to change this stand]** | | | |
| Category of waste | | | |
| (i) Recycled | | | |
| E-Waste[#] | (In Metric Tonnes) | 3,599 | 2,820 |
| Battery Waste[#] | (In Metric Tonnes) | 30,891 | 27,522 |
| Non-Hazardous waste Category [1] | (In Metric Tonnes) | 46 | 0 |
| (ii) Re-used | | 0 | 0 |
| (iii) Other recovery operations | | | |
| Non-Hazardous Waste | | | |
| Category [1] | (In Metric Tonnes) | 5,655 | 4,403 |
| Category [2] | (In Metric Tonnes) | 11,712 | 13,739 |
| **Total** | | 51,904 | 48,484 |

| Parameter | | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| **For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)** | | | |
| Category of waste | | 0 | 0 |
| (i) Incineration | | 0 | 0 |
| (ii) Landfilling | | 0 | 0 |
| (iii) Other disposal operations | | 0 | 0 |
| **Total** | | 0 | 0 |

*# 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 thorough health assessment conducted by a 3rd party Chartered Engineer, declaring the asset Repairable (and 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 2022” and is compliant with the following important provisions of the above mentioned rule i.e.

    - Ensuring that e-waste is collected and stored in a secured manner till it is sent to authorized 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

- 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. | Indus Towers has a Pan India presence | Telecom tower installation | Yes. The Company takes the required NOCs and permissions from concerned authorities. |

We have pan India presence with 192,874 towers. We are planning to undertake a detailed assessment of our operations in/around ecologically sensitive areas. However, the Company obtains the requisite environmental approvals/clearances for installation of its towers.

**11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year –**

Environmental Impact assessment (EIA) is not applicable to Indus activities as per the EIA Notification, 2020.

**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 2022-23 | FY 2021-22 |
|---|---|---|
| **From renewable sources** | | |
| Energy consumed from renewable sources | 10,279 | 9,154 |
| Total energy consumed from renewable sources | 10,279 | 9,154 |
| **From non-renewable sources** | | |
| Energy consumed from non-renewable sources | 28,232,085 | 27,563,470 |
| Total fuel consumption | 10,707,769 | 11,341,938 |
| **Total energy consumed from non-renewable sources** | 38,939,854 | 38,905,408 |

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Scope 3 category | Emissions (tonnes CO2e) FY 2022-23 |
|---|---|
| Purchased goods and services and Capital goods | 225,509 |
| Fuel and energy related activities | 1,792,563 |
| Upstream Transportation | 40,938 |
| Waste generated | 1,105 |
| Business Travel | 6,279 |
| Employee Commute | 2,798 |
| **Total** | 2,069,193 |

3. **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:**

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Enhancement of usable life of equipments by Refurbishment | Company invests time and money in getting a thorough assessment of assests for residual life by a chartered engineer firm. Efforts are made for refurbishing and reviving assets for enhancing reusable life. | Enhanced equipment lifecycle |
| 2 | Solar Projects & others | Exploring green energy solutions through deployment of captive solar plants and PPAs with 3rd party | Shift to renewable sources of energy |
| 3 | Value Addition, Value Engineering | Design of equipment/solution procured is periodically reviewed for VA/VE to the changing telecom needs and optimisation of solutions and capacity in accordance. | Reduced use of raw materials, efficient solutions |
| 4 | Regional level partners --> save primary transportation | Identified Partners regionally and accordingly mapped our demand. | Reduced GHG emissions in primary transport |
| 5 | Localised warehousing and distribution solutions | Materials are shipped from Partner warehouses to 22 different warehouses present PAN India. | Reduced GHG emissions from Logictics & Transport |
| 6 | Installation of leaner tower | Leaner tower has a frugal design with a smaller battery bank, no diesel genset and is of lesser height than a traditional macro tower. | Reduced use of material, energy efficient, lower carbon emissions and waste generation |

4. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

### Disaster Management Plan

Given the high dependence of Indus Towers operations and deliverables on our key systems, the company has a comprehensive Business Continuity and Disaster Management plan in place that includes Operations as well as Information Technology.

The Information Technology BCP incorporates aspects such as Geo-redundancy, Recovery Point and Recovery Time Objectives. For one of our most critical operating platforms the Tower Operations Centre (TOC), we have locational redundancy (through our DR Data Centre in Bengaluru) as well as a parallel system architecture with failover capability to ensure continuance of operations. This infrastructure today operates in an active-active mode with capacity to switch the entire load to each location if so required.

For our other key systems such as ERP, EB Portal etc. we have recently implemented DR on cloud to help us get back in action in short order and for iSQ we have DR setup in Bengaluru. We are currently working on optimizing the Recovery Point and Recovery Time Objectives and streamlining our processes to fully utilize the new technology.

For some of our applications which are less critical from a data or recovery time perspective, we have state-of-the-art backup (and restoration) systems which take regular backups of key parts including applications and data. The recovery process for which are periodically (quarterly) tested in accordance with our policies.

### Business Continuity Plan

A business continuity plan is a document that details and creates a system of preparedness, response, and recovery from potential threats/disasters to company. As a passive infrastructure company, Indus provides the solutions for

Tower, Power, and Space for all the telecom operators in the country and this builds and operates towers across all the states and union territories in India. With such widespread operations, it is prone to several natural disasters as well like Cyclones, Floods, Snow etc. Apart from these, there are also unanticipated events like the pandemic when the normal ways of working are inoperable. In fact, in recent years, all sectors and companies worldwide have also been impacted by rapidly increasing cyber threats.

Hence the Indus BCP is a comprehensive document that details the steps that need to be taken to enable and ensure a robust preparedness for such events. The BCP has several components like Broad recovery Objectives (Operational / Financial / Regulatory / Customer etc.), Scenario Mapping (Different strategy and responses to different scenarios), Risk assessment (Probability and Vulnerability), Checklist (Steps to be taken in such cases, when they arise), Accountability & Responsibility (Recovery Team and Implementation Team), Modes of Communication, use of technology and timely testing to test robustness.

FY 2021-22 numbers are revised due to change in computation methodology to activity level, scope enhancement and change in unit of measurement.

Indus BCP – One BCP for entire company with major focus on operations continuity such as minimum level of operations, diesel top up, maximum time of recovery, priority of sites recovery, clean-up of damaged structures and customer communication, apart from data recovery and system recovery etc. since the company is digitally enabled across all facets.

5. **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.**

   NA

6. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   ~35%

**Note:**

FY 2021- 22 numbers are revised due to change in computation methodology to activity level, scope enhancement and change in unit of measurement.

## 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.

### Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Indus Towers Limited has affiliations with 6 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 | Cellular Operators Association of India (COAI) | National |
| 2 | Digital Infrastructure Provider Association (DIPA) | National |
| 3 | Internet Service Provider Association of India (ISPAI) | National |
| 4 | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 5 | The Associated Chambers of Commerce of India (Assocham) | National |
| 6 | Broadband India Forum (BIF) | 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 (Amendment) Rules, 2022 | Direct alignment with authorities i.e. DoT, TRAI, Associations etc.<br>Representation through associations, interaction with regulators, seminars etc. | Yes | Quarterly – As required | https://gatishaktisanchar.gov.in/ |
| 2 | State RoW Policies | Direct alignment with authorities i.e. DoT, TRAI, associations etc.<br>Representation through associations, interaction with regulators, seminars etc. | Yes | Quarterly – As required | https://gatishaktisanchar.gov.in/ |
| 3 | MoP- Green open access policy | Direct alignment with authorities i.e. MOP, DoT, TRAI, Associations etc.<br>Representation through associations, interaction with regulators, seminars etc. | Yes | Quarterly – As required | https://powermin.gov.in/ |
| 4 | Ministry of Railways - IP1s were not allowed to deploy infrastructure directly | Direct alignment with authorities i.e. Ministry of Railways, DoT, TRAI, Associations etc.<br>Representation through associations, interaction with regulators, seminars etc. | Yes | Quarterly – As required | https://indianrailways.gov.in/railwayboard/ |

## 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 making 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 socioeconomic 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 playing active role and taking responsibilities in transforming the lives of communities. As an important participant of the society, Indus along with all its employees remain committed to creating 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 requires 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 and their overall structural.

### 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. All the NGO partners have their own redressal mechanism for the grievences of the community and they immediately address the grievances of the community as and when they arise. 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:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 25% | 35.2% |
| Sourced directly from within the district and neighboring districts* | - | - |

**Computation methodology will be decided and data will be reported going forward*

### 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. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies –**

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 1 | Andhra Pradesh | Alluri Sitharamaraju | 90,960 |
| 2 | Andhra Pradesh | Kadapa | 216,960 |
| 3 | Andhra Pradesh | Parvathipuram Manyam | 216,960 |
| 4 | Arunachal Pradesh | Namsai | 90,960 |
| 5 | Assam | Baksa | 90,960 |
| 6 | Assam | Barpeta | 146,588 |
| 7 | Assam | Darrang | 90,960 |
| 8 | Assam | Dhubri | 202,216 |
| 9 | Assam | Goalpara | 146,588 |
| 10 | Assam | Udalguri | 5,238,188 |
| 11 | Bihar | Araria | 90,960 |
| 12 | Bihar | Aurangabad | 90,960 |
| 13 | Bihar | Banka | 90,960 |
| 14 | Bihar | Begusarai | 4,233,503 |
| 15 | Bihar | Gaya | 293,460 |
| 16 | Bihar | Katihar | 150,000 |
| 17 | Bihar | Muzaffarpur | 90,960 |
| 18 | Bihar | Purnea | 90,960 |
| 19 | Bihar | Sitamarhi | 90,960 |
| 20 | Chhattisgarh | Dantewada | 90,960 |
| 21 | Chhattisgarh | Korba | 90,960 |
| 22 | Gujarat | Dahod | 2,000,000 |
| 23 | Haryana | Mewat | 3,521,024 |
| 24 | Jharkhand | Bokaro | 153,960 |
| 25 | Jharkhand | Chatra | 90,960 |
| 26 | Jharkhand | Dumka | 7,155,267 |
| 27 | Jharkhand | Garhwa | 63,000 |
| 28 | Jharkhand | Giridih | 150,000 |
| 29 | Jharkhand | Gumla | 248,460 |
| 30 | Jharkhand | Hazaribag | 90,960 |
| 31 | Jharkhand | Pakur | 2,854,876 |
| 32 | Jharkhand | Palamu | 90,960 |
| 33 | Jharkhand | Purbi Singhbhum | 90,960 |
| 34 | Jharkhand | Ranchi | 6,284,091 |
| 35 | Jharkhand | Sahibganj | 90,960 |
| 36 | Jharkhand | Simdega | 397,500 |
| 37 | Jharkhand | West Singhbhum | 495,000 |
| 38 | Karnataka | Raichur | 90,960 |
| 39 | Madhya Pradesh | Chhatarpur | 90,960 |
| 40 | Madhya Pradesh | Damoh | 90,960 |
| 41 | Madhya Pradesh | Singrauli | 90,960 |
| 42 | Madhya Pradesh | Vidisha | 5,147,228 |
| 43 | Maharashtra | Gadchiroli | 90,960 |
| 44 | Maharashtra | Nandurbar | 90,960 |
| 45 | Maharashtra | Osmanabad | 90,960 |
| 46 | Maharashtra | Washim | 90,960 |

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 47 | Manipur | Chandel | 55,628 |
| 48 | Meghalaya | Ribhoi | 90,960 |
| 49 | Nagaland | Kiphire | 90,960 |
| 50 | Odisha | Gajapati | 5,147,228 |
| 51 | Odisha | Kandhamal | 209,839 |
| 52 | Punjab | Ferozepur | 1,062,512 |
| 53 | Rajasthan | Baran | 5,147,228 |
| 54 | Rajasthan | Dholpur | 90,960 |
| 55 | Rajasthan | Jaisalmer | 90,960 |
| 56 | Rajasthan | Karauli | 90,960 |
| 57 | Rajasthan | Sirohi | 90,960 |
| 58 | Tamil Nadu | Ramanathapuram | 63,000 |
| 59 | Telangana | Asifabad | 90,960 |
| 60 | Telangana | Bhadradri-Kothagudem | 90,960 |
| 61 | Telangana | Bhupalpally | 90,960 |
| 62 | Tripura | Dhalai | 90,960 |
| 63 | Uttar Pradesh | Bahraich | 90,960 |
| 64 | Uttar Pradesh | Balrampur | 90,960 |
| 65 | Uttar Pradesh | Chandauli | 90,960 |
| 66 | Uttar Pradesh | Chitrakoot | 90,960 |
| 67 | Uttar Pradesh | Fatehpur | 90,960 |
| 68 | Uttar Pradesh | Shravasti | 90,960 |
| 69 | Uttar Pradesh | Siddharthnagar | 90,960 |
| 70 | Uttar Pradesh | Sonbhadra | 90,960 |
| 71 | Uttarakhand | Haridwar | 197,658 |
| 72 | Uttarakhand | Udham Singh Nagar | 90,960 |
| | **Total** | | **55,200,202** |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   No

   (b) From which marginalized /vulnerable groups do you procure?

   NA

   (c) What percentage of total procurement (by value) does it constitute?

   NA

4. **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:**

   NA

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

   NA

## 6. Details of beneficiaries of CSR projects –

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Satya Bharti School Program & Quality Support Program | 1,110,732 | 52% |
| 2 | Gurushala & Smart Agri program | 6,257,996 | 96% |
| 3 | Library in a classroom program -Setting up of libraries | 1,504,228 | 65% |
| 4 | Digital Reading and Library in a classroom program - Setting up of Libraries | 628,000 | 65% |
| 5 | School Bus to support education needs of Special School | 568 | 100% |
| 6 | Digital Skill Development and livelihood | 200 | 50% |
| 7 | Indus Towers Scholarship Program for Disabled | 720 | 100% |
| 8 | Scholarship Program for Higher Education | 404 | 100% |
| 9 | Energy Access for Livelihood Opportunity | 1,168 | 100% |
| 10 | Project Nurture | 583 | 100% |
| 11 | Safety of Community through Digital E-beat Application | 4,672 | 100% |
| 12 | Paraplegic Rehabilitation centre | 424 | 100% |
| 13 | Har Ghar Tiranga* | 112,000 | 50% |
| 14 | Girl Child Education Program | 50,952 | 100% |
| 15 | Digital Transformation Van Program | 159,528 | 64% |
| 16 | Disaster Initiatives | 15,880 | 50% |
| | **Total** | **9,848,055** | |

**The program was intended to invoke the feeling of patriotism in the hearts of people (considered assumption of 50% vulnerable)*

***Note:***

- *Projects on Research & Development, Pond Restoration & Rejuvenation will have program outcomes which may not necessarily be number of beneficiaries and will be reported next year.*
- *Projects on Ambulance Van and Digital Health Kiosk will have program outcomes next year and will be reported accordingly.*
- *The total number of people benefiting from CSR Projects includes three indirect beneficiaries, i.e. the benefits of each direct beneficiary percolate to three indirect beneficiaries.*

## 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 -

With a goal of providing best-in-class services to our customers, understanding their needs, resolving their queries and providing a suitable resolution to them is an utmost priority. There are several engagements that we have with our customers on daily, weekly and monthly basis wherein we connect with the customers to receive and respond to their needs and 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 the hygiene of the current business operations, new business initiatives and any diffrences.
- Corporate & circle Deployment team meeting with customer's Deployment and Planning team to discuss and resolve delivery related queries.

- O&M team meetings with customer's O&M team to resolve operation 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.
- TOC data reports are used to track site outages and identify the solutions to deliver network stablity to the customer.

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 and Recycling and/or safe disposal**

   Not applicable

3. **Number of consumer complaints in respect of the following:**

   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 protecting 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 ensuring 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 are 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.**

   Since our customers and their representatives visit our tower sites, we provide them with detailed guidelines on our safety practices through meetings and advisory mails. We ensure their compliance to our practices through active engagement with them.

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)**

   No. Since, we have a few customers and we have a very active formal and informal engagement with our customers, we usually collect their inputs, suggestions and feedback during such interactions. Most of our business functions frequently engage with their counterparts at customer end in all our locations, which help them gather customer's views and concerns on our services across the country.

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 Seventeenth Board's Report on the business and operations of Indus Towers Limited ('the Company') together with the audited Financial Statements for the Financial Year ended March 31, 2023.

## 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, 2023, Indus Towers owned and operated 192,874 towers with 342,831 co-locations in 22 telecommunication circles.

## 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**

₹ Millions

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Revenue* | 283,818 | 277,172 |
| EBIDTA* | 97,670 | 149,429 |
| Profit Before Tax | 27,593 | 84,307 |
| Profit After Tax | 20,400 | 63,731 |

*excluding other income

**B. Standalone financial results as per Ind AS**

₹ Millions

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Revenue* | 283,818 | 277,082 |
| EBIDTA* | 97,674 | 149,305 |
| Profit Before Tax | 27,620 | 84,243 |
| Profit After Tax | 20,433 | 63,671 |

*excluding other income

## Share Capital

During the Financial Year 2022-23, 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 Financial Year 2022-23, there is no change in the Company's issued, subscribed, and paid-up equity share capital.

As on March 31, 2023, the issued, subscribed and paid-up equity share capital of the Company stood at ₹ 26,949,369,500/- divided into 2,694,936,950 Equity Shares of ₹ 10/- (₹ Ten) each fully paid-up.

## Fund raised during the Financial Year

**Issuance of rated, listed, unsecured, redeemable Non-Convertible Debentures ('NCDs') by way of Private Placement**

During the Financial Year 2022-23, the Company has raised, by way of Private Placement, total 15,000 NCDs of face value of ₹ 10 Lakh each amounting to ₹ 1,500 Crore in three series which were allotted on December 07, 2022 as details below:

- Series I Debentures: 7,500 NCDs amounting to ₹ 750 Crore, maturing on December 07, 2024
- Series II Debentures: 3,750 NCDs amounting to ₹ 375 Crore, maturing on June 07, 2025

- Series III Debentures: 3,750 NCDs amounting to ₹ 375 Crore, maturing on December 07, 2025

These NCDs are listed on National Stock Exchange of India Limited (NSE).

## Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the Financial Year ended March 31, 2023.

## Dividend

The Board of Directors of the Company has not declared any dividend for the Financial Year 2022-23.

## Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the top 1000 listed companies based on the market capitalization shall formulate a dividend distribution policy. Accordingly, the Dividend Distribution 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 read with Rules made thereunder during the Financial Year 2022-23, the Company has transferred an amount of ₹ 136,721/- (Rupees One Lakh Thirty Six Thousand Seven Hundred and Twenty One Only) pertaining to final dividend on equity shares 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, 185 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 a 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 the date of closure of previous Financial Year i.e. March 31, 2022 on the website of the Company at https://www.industowers.com/%20investor/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, Company Secretary & Compliance Officer of the Company, has been appointed as the Nodal Officer of the Company. The details are available on the Company's website at 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 Financial Statements.

## Directors and Key Managerial Personnel

### Induction, Re-appointment and Resignation

During the Financial Year, the following changes took place in the Board:

#### Appointments and Re-appointments

- Mr. Sunil Sood (DIN: 03132202), was appointed as an Additional Director in the category of a Non-Executive Non-Independent Director w.e.f June 30, 2022. The shareholders in their meeting held on August 23, 2022, approved the appointment of Mr. Sood as a Director, liable to retire by rotation.

- Ms. Anita Kapur (DIN: 07902012) was re-appointed as an Independent Director for a second term of five years w.e.f. January 17, 2023, till January 16, 2028, with the approval of shareholders in their meeting held on August 23, 2022.

- Mr. Pankaj Tewari (DIN: 08006533) was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of the Company w.e.f. October 8, 2022. Thereafter the shareholders through postal ballot/ e-voting on December 30, 2022, have approved the appointment of Mr. Tewari as a Director, liable to retire by rotation.

- Mr. Prachur Sah (DIN: 07871676) was appointed as an Additional Director designated as Managing Director & Chief Executive Officer (MD & CEO) of the Company w.e.f. January 3, 2023, for a period of five years. Thereafter, the shareholders through postal ballot/e-voting on April 01, 2023, have approved the appointment of Mr. Sah as MD & CEO for a period of 5 years.

- Mr. Ramesh Abhishek (DIN: 07452293) was appointed as an Additional Director in the category of Independent Director for a term of five consecutive years w.e.f. January 3, 2023 till January 2, 2028. Thereafter, the shareholders, through postal ballot/e-voting on April 01, 2023, have approved the appointment of Mr. Abhishek as an Independent Director for a period of five years.

- Mr. Harjeet Singh Kohli (DIN: 07575784), Mr. Randeep Singh Sekhon (DIN: 08306391) and Mr. Ravinder Takkar (DIN: 01719511), 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.

In the opinion of the Board, all the directors, including the directors appointed/ re-appointed during the year, possess the requisite qualifications, experience, expertise, proficiency and hold high standards of integrity.

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.

### Resignations

- Mr. Balesh Sharma (DIN: 07783637), Non-Executive Non-Independent Director of the Company resigned from the Board w.e.f. June 30, 2022.

- Mr. Bimal Dayal (DIN: 08927887), resigned from the Board and from the position of Managing Director & CEO of the Company w.e.f. September 17, 2022.

The Board placed on record its deepest gratitude and appreciation towards valuable contribution made by the outgoing Directors.

Save and except the above, there was no change in the Directors or KMPs of the Company during the year under review.

## Declaration by Independent Directors

Pursuant to Section 149(7) of the Act, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act, as amended, read with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and that they are independent of the Management.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct and that they are registered on the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs. The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or any other such authority.

The Board of Directors of the Company have taken on record the aforesaid declaration and confirmation submitted by the Independent Directors.

## 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/wp-content/themes/indus/pdf/SE/2020/Nomination-Policy.pdf.

## Annual Board Evaluation and Familiarisation Programme for the 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 2022-23, the Board of Directors met 9 times i.e. on May 05, 2022; July 27, 2022; August 02, 2022; September 26, 2022; October 08, 2022; October 27, 2022; December 22, 2022; January 24, 2023 and March 24, 2023. 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 2022-23 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, 2023, the Board has 5 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. Additionally, the Board has formed Special Committee of Directors and Committee of Directors for Fund Raising. The details with respect to the composition, powers, roles, terms of reference, number of meetings held etc. of the Committees during the Financial Year 2022-23 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, 2023, 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 the performance and financial position of the subsidiary company.

Audited Financial Statements of Smartx Services Limited for the Financial Year 2022-23 have been placed on the website of the Company at www.industowers.com and the same will also be available electronically for inspection by the members during the AGM. 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 the 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, 2023.

## 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.

We have our employees at the core of business who deliver and sustain the service delivery by living the core values of the organization- Excellence, Customer, Integrity, Teamwork and Environment (ExCITE). They relentlessly work towards our vision to Strive for Customer Delight through continuous Innovation. Many employees and organizations spent last year settling into their new ways of working after the initial, prolonged disruption of the pandemic subsided. This adjustment period coincided with an uncertain economy, continued resignations and “quiet quitting” making headlines amid declining employee engagement after a decade of growth.

The Gallup Exceptional Workplace Award (2023) awarded to Indus Towers is a testament to the fact that despite these challenges, we as an organization stood strong with our values and built a culture that thrives in the new work environment. 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. The fact that we have received this award for the 10th consecutive year establishes the fact that to be among the most engaged workplaces across the world, we must continue to put people first and continue to make employee engagement a cultural priority in our business strategy.

During our journey, we 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 3,249 employees spread across our 22 circles has become possible through our constant communication. Our leadership has a strong connect with all employees and focusing on their well-being is their priority. They regularly connect with the teams to guide them on how to efficiently manage people and productivity during critical times. Throughout the year, the leadership stood by their people in times of crisis, valuing their relentless efforts and providing all type of support that was needed.

The year gone by was transformational yet extremely demanding for our workforce at Indus. While on one side rigor on 5G roll out was one of the biggest ask from our customers, there has been a war of talent in the market for this niche skill. To address the situation in time, we ensured that we proactively start upskilling our current workforce. We invested in our talent through various training interventions and awareness sessions delivered by the Leaders and Subject Matter Experts to get 5G ready and ensured that we deliver on the expectations of our valued customers. At Indus, we constantly strive to build and sustain a culture of high performance and recognise that our employees play a crucial role in catalyzing growth and innovation in the organization. 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:

- Attracting the right talent
- Retaining the better
- 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.

The communication strategy at Indus has been instrumental in keeping the 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 of 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. While during the pandemic we capitalized on virtual and online learning, this year we also brought back many classroom training interventions. Keeping the development opportunities relevant and engaging, this was a year of many new launches for Indus Towers when it came to future ready capability building for our employees. We reviewed our existing courses and made improvements as per the changing needs, future skills and Training Needs identified. 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.

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 6.3% 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. 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. Year 2022 marked the launch of Gender Sensitization Workshops. This is an organization wide effort to build an inclusive workplace for our employees and create awareness on the ground to address gender sensitive issues.

## 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 an Employee Stock Option Scheme 2014 ('ESOP Scheme 2014') with the approval of Shareholders of the Company. The said scheme is 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 scheme. The Company also had another ESOP Scheme ('ESOP Scheme – 2008') under which no fresh grants are made, and all options granted under the Scheme have been dealt with.

In accordance with the ESOP Regulations, the Company had set up Indus Towers 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 had exercised voting rights in respect of the shares of the Company held by the ESOP Trust.

During the Financial Year 2022-23, ESOP Trust has purchased 525,000 equity shares from the open market and HR, Nomination and Remuneration Committee has granted 782,303 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 ESOP schemes are implemented in accordance with the ESOP Regulations and the resolutions passed by the Members of the Company, are available for inspection by the Members in electronic mode and copy of the same will also be available for inspection at the registered office of the Company and during the AGM.

During the previous year, there were no material changes in the aforesaid ESOP scheme of the Company and the ESOP scheme are in compliance with ESOP regulations.

## 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/ W-100018) ('Deloitte') were re-appointed as the Statutory Auditors of the Company by the shareholders in the 16th Annual General Meeting ('AGM') of the Company held on August 23, 2022, for a period of five years i.e. from the conclusion of 16th AGM till the conclusion of 21st AGM of the Company, to be held in the year 2027.

Further, they are qualified to continue as Statutory Auditors of the Company and satisfy the independence criteria in terms of the applicable provisions of the Act and Code of Ethics issued by the Institute of Chartered Accountants of India.

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, 2023, which is self-explanatory. The report does not contain any observation, 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 Financial 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, 2023. The Secretarial Auditors have submitted their report, confirming compliance by the Company on applicable provisions as stated in their report. The Report does not contain any qualification, observation, disclaimer, or adverse remark except following:

The Company had received an adjudication order from the Securities Exchange Board of India ("SEBI") dated June 27, 2022 for violation of erstwhile Regulation 3(12) of SEBI (Share Based Employees Benefits) Regulations, 2014 w.r.t. non-appropriation of the excess 5,32,862 equity shares held by ESOP Trust of the Company and a fine of Rs. 1,00,000/- was imposed by SEBI.

The Company denies violation of Regulation 3(12) of the erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014, however, has paid the prescribed penalty on ground of interpretational differences.

The Secretarial Audit Report for the Financial Year 2022-23 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 2023-24.

**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 reputable 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 the Internal Auditor, the policies, processes, and internal controls in the Company are generally adhered to, while conducting the business.

## Corporate Social Responsibility (CSR)

In line with the company's vision of Connecting Lives across nation, the CSR initiatives of the Company are guided to ensure sustainable development and inclusive growth while taking care of People, Planet, and organizational goals. The CSR Vision of Indus endeavors on taking an active role in transforming the lives of communities by designing and implementing projects that works towards socio-economic upliftment of the communities. The Company has made conscious efforts to ensure that CSR interventions are need-based, community-oriented, sustainable, and thereby positively impact the quality of lives and also those present in the ecosystem.

At Indus, we believe that our business thrives in a strong and sustainable society and therefore our commitments, focus on integrity, empathy and ethics shape the Indus value system. As a socially responsible organization, 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. CSR activities through partnership with the government, particularly at the local level, and not-for-profit sector, plays a vital role not only for effective implementation of CSR activities but also for long-term sustainability and to achieve measurable change brought about by social initiatives.

The CSR Policy aligns with the Missions of National Priority and the Sustainable Development Goals (SDGs) of India. The policy is recommended by Corporate Social Responsibility (CSR) Committee and approved by the Board. It has a deep focus on governance and transparency and outlines the Company's CSR Strategy to bring about a positive impact on the community and environment through various CSR interventions.

Indus CSR activities are aligned with Schedule VII of the Companies Act and majorly focus on:

- Promoting Quality Education and Digital Education for children, youth and adults in rural and urban areas
- Digital Skill Development and Livelihood Enhancement for vulnerable communities
- Promoting Smart Agri for farmers by leveraging Technology
- Scholarship Program for higher education including students with disabilities.
- Support to Paraplegic Rehabilitation Centre for Armed Forces Ex- service men
- Holistic development of abandoned and parentless children
- Promote Community initiatives
- Healthy and Safer community environment and capacity building of health Infrastructure
- Energy Access for livelihood promotion thereby promote Safe and Clean Energy
- Environment Sustainability and Swachh Bharat initiatives including Research & development
- Support Disaster Relief initiatives

CSR programs at Indus are implemented by credible partners and are compliant to execute social development projects. These partners are selected based on 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.

Company-wide, Indus utilizes its strengths and resources to benefit local communities. Individually, our employees through volunteering programs actively engage in community service and contribute their time, efforts, and resources to bring in positive change in community.

In accordance with the requirements of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has constituted the 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 are 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 Financial Year 2022-2023, the Company was required to spend ₹ 984.23 Mn (2% of average net profits for the last 3 years) towards the CSR activities out of which the Company has spent ₹ 914.85 Mn till March 31, 2023. The remaining amount of ₹ 69.38 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.

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

In line with our philosophy of being a highly transparent and responsible company and considering IR as a journey, the Company has adopted 'Integrated Report' in accordance with the International Integrated Reporting Council (IIRC) framework.

The Integrated Report covers the 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 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 Business Responsibility & Sustainability Report ('BRSR') for the Financial Year 2022-23, describing the initiatives taken by the Company from environmental, social and governance perspective forms part of this Integrated Report.

## Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the Financial 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 the best corporate governance practices. The Board constantly endeavors to take the business forward in such a way that it maximizes the long-term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of the 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 the 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. The 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 a duly approved Risk Management Policy for effective corporate governance and development of sustainable business. The objective of this policy is to have a well-defined approach to risk and to define an ongoing and consistent process for identifying, evaluating, escalating, monitoring, and reporting the significant risks faced in the short and near future. The policy suggests framing an appropriate response for the key risks identified, to make sure that risks are adequately addressed or mitigated.

The Internal Audit function along with Chief Risk Officer 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 the 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 2022-23. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion & Analysis section.

## Code of Conduct/ Vigil Mechanism

We have a well defined Code of Conduct that serves as a guiding tool to align our organsational culture with individual conduct.

The Code of Conduct and vigil mechanism of the Company is available on the website of the Company at 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 the 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 ensure 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 with specifications through pre-dispatch inspection of products.

## Other Statutory Disclosures

### Related Party Transactions

A detailed note on the 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 into 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.

The 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, 2023.

The Policy on the Related Party Transactions is available on the website of the Company at https://www.industowers.com/wp-content/themes/indus/pdf/2022/RPT_Policy.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 is no material change or commitment 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, 2023.

### Commercial Papers

During the Financial Year, the Company has raised ₹ 23,250 Mn through issuance of Commercial Papers in various tranches. As on March 31, 2023, the Company has no outstanding Commercial Papers.

### 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 are 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.

### 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, 2023, is available on the website of the Company at 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.

### Proceeding under Insolvency and Bankruptcy Code, 2016

There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on March 31, 2023.

### Change in the Nature of Business

There was no change in nature of the business of the Company during the financial year ended on March 31, 2023.

### The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

There is no one time settlement done with bank or any financial institution.

## 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 are 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, 2023, 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, 2023, 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, shareholders, 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**

**N Kumar**
Chairman
DIN: 00007848

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

Date: April 26, 2023
Place: Gurugram

# Annexure A

## Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read
with Rule 5 of the 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, 2022 to March 31, 2023 |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. |
| 6. | Share capital | ₹ 150 Mn |
| 7. | Reserve & Surplus | ₹ (120) Mn |
| 8. | Total assets | ₹ 161 Mn |
| 9. | Total Liabilities | ₹ 131 Mn |
| 10. | Investments | Nil |
| 11. | Turnover | ₹ 21 Mn |
| 12. | Profit/(loss) before taxation | ₹ (27) Mn |
| 13. | Provision for taxation | ₹ 4 Mn |
| 14. | Profit/(loss) after taxation | ₹ (31) Mn |
| 15. | Proposed Dividend | Nil |
| 16. | % of shareholding | 100% |

1. Names of subsidiaries which are yet to commence operations: **N.A.**

2. Names of subsidiaries which have been liquidated or sold during the year: **N.A**.

## Part "B": Associates and Joint Ventures

Not applicable

For and on behalf of the board of the Directors of **Indus Towers Limited**

**Harjeet Kohli**
Director
DIN: 07575784

**Ravinder Takkar**
Director
DIN: 01719511

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

Date: April 26, 2023
Place: Gurugram

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Annexure B

## SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023)

The Members
**Indus Towers Limited**
Building no. 10, Tower A, 4th 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** (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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ('**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, 2023 ("**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 to the extent applicable;

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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except as under:

The Company had received an adjudication order from the Securities Exchange Board of India ("SEBI") dated June 27, 2022 for violation of erstwhile Regulation 3(12) of SEBI (Share Based Employees Benefits) Regulations, 2014 w.r.t. non-appropriation of the excess 5,32,862 equity shares held by ESOP Trust of the Company.

A fine of ₹ 1,00,000/- was imposed by SEBI for violation of Regulation 3(12) of erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014.

As per the management, the Company denies violation of Regulation 3(12) of SEBI (Share Based Employee Benefits) Regulations, 2014, however, has paid the prescribed penalty on ground of interpretational differences.

**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.:

1. During the year under review, the Company had declared the interim dividend of ₹ 11/- (Indian Rupees Eleven Only) per equity share of ₹ 10/- (Indian Rupees Ten Only) each for the Financial Year 2021-2022;

2. During the Year under review, the Commercial Papers (CPs) issued by the Company were listed on National Stock Exchange of India Limited and the same were redeemed 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;

3. During the Period under review, the Company had approved allotment of 15,000 (Fifteen Thousand) rated, listed, unsecured, redeemable Non-Convertible Debentures of Face Value of ₹ 10,00,000/- (Indian Rupees Ten Lakhs Only) each ('NCDs') in three series aggregating up to ₹ 1500,00,00,000/- (Indian Rupees One Thousand Five Hundred Crore Only) on a Private Placement basis.

4. During the Period under review, 620,158,834 Equity Shares of the Company amounting to 23.01% of total share capital held by Nettle Infrastructure Investments Limited ("**Nettle**") were acquired by Bharti Airtel Limited ("**Airtel**"), one of the Promoter Companies pursuant to the Composite Scheme of Amalgamation between Nettle, Telesonic Networks Limited ("**Telesonic**") and their respective shareholders and Airtel for amalgamation of Nettle and Telesonic with Airtel which has become effective from February 01, 2023. Post this acquisition Airtel holds 1,292,261,364 Equity Shares amounting to 47.95% of total share capital 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: F001644E000192274

Date: April 26, 2023
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 Secretarial Audit Report**

To,
The Members
**Indus Towers Limited**
Building no. 10, Tower A, 4th 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. 1644
Certificate of Practice No.: 715
UDIN: F001644E000192274

Date: April 26, 2023
Place: Delhi

# Annexure C

## ANNUAL REPORT ON CSR ACTIVITIES

## 1. Brief outline on CSR Policy of the Company:

The CSR Policy of the Company is aligned with the overall vision of the Company and provides the framework for implementing the programs that are designed to reflect the company's vision, mission, and focus areas of development. The policy is periodically reviewed to reflect the community's changing needs and accommodate changes mandated by amendments in the Act. The policy encompasses CSR Vision, thematic areas of intervention, implementation, monitoring & governance mechanism, and reporting.

The CSR Policy is formulated in accordance with the requirements of Section 135 of companies Act 2013 and Companies (CSR Policy) Rules, 2014 as amended from time to time. Being a socially responsible organization, Indus believes in optimizing the impact of its CSR activities. 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 positively 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 drives positive change.

Indus Towers has adopted a multi-fold approach for CSR and would mainly focus on 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, 2023, the Committee comprised 4 members of which 2 are Independent Directors and 2 are Non-Executive Non-Independent Directors. Ms. Sonu Bhasin, Independent Director 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 Director | 4 | 3 |
| 4 | Mr. Ravinder Takkar | Non-Executive, Non-Independent Director | 4 | 4 |

## 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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Executive Summary for the Impact assessment of Satya Bharti Quality Support Program and Gurushala Program are attached as **Annexure C-1** and **Annexure C-2** respectively.

**Web-link for Impact Assessment of Satya Bharti Quality Support Program:** https://www.industowers.com/wp-content/uploads/2023/05/Satya-Bharti-Quality-Support-Programme-1.pdf

**Web-link for Impact Assessment of Gurushala Program:** https://www.industowers.com/wp-content/uploads/2023/05/Gurushala.pdf

5. (a) **Average net profit of the company as per Sub-section (5) of Section 135:** ₹ 49,211.48 Mn

(b) **Two percent of average net profit of the company as per Sub-section (5) of Section 135:** ₹ 984.23 Mn

(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years:** Nil

(d) **Amount required to be set-off for the Financial Year, if any:** Nil

(e) **Total CSR obligation for the Financial Year [(b)+(c)-(d)]:** ₹ 984.23 Mn

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 908.01 Mn.

(b) **Amount spent in Administrative Overheads:** ₹ 4.2 Mn

(c) **Amount spent on Impact Assessment, if applicable:** ₹ 2.64 Mn

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 914.85 Mn

(e) **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 |
| 914.85 | 69.38 | April 24, 2023 | N.A. | | |

(f) **Excess amount for set-off, if any:**

| Sl. No. | Particular | Amount (in ₹) Mn. |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | ₹ 984.23 Mn |
| (ii) | Total amount spent for the Financial Year | ₹ 914.85 Mn |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | N.A. |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | N.A. |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | Nil |

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135(6) (in ₹) Mn | Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹) Mn | Amount Spent in the Financial Year (in ₹) Mn | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1 | 2021-22 | 61.95 | Nil | 61.95 | N.A. | N.A. | N.A. | N.A. |
| 2 | 2020-21 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 3 | 2019-20 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

**If yes, enter the number of Capital assets created/ acquired:** Not Applicable

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** Not Applicable

## 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

During the Financial Year 2022-2023, the Company was required to spend ₹ 984.23 Mn (2% of average net profits for the last 3 years) towards the CSR activities out of which the Company has spent ₹ 914.85 Mn till March 31, 2023. The remaining amount of ₹ 69.38 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 and on behalf of **Indus Towers Limited**

Date: April 26, 2023
Place: Gurugram

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

**Sonu Bhasin**
Chairman CSR Committee
DIN: 02872234

# Annexure C1

**Satya Bharti Quality Support Program**

Impact Assessment

## Executive Summary

In the year 2013, Bharti Foundation (BF) to realise its objective of **supporting government schools** to become **happy, holistic institutions of learning, in collaboration with state governments** initiated the Satya Bharti Quality Support Program (QSP). The programme adopts a **two-pronged approach** to facilitate the desired change. It optimizes on the existing strengths and provides catalytic support to bridge gaps identified by the schools' leadership team, by building on their own capabilities. QSP is implemented across schools in a time frame of three to five (3 to 5) years, structured around the whole-school approach through co-scholastic activities defined under four programme pillars. The four pillars of the programme are:

- Student empowerment
- School leadership and teacher engagement
- Community and parent involvement
- School environment

**Scope of the study:**

The impact assessment study for QSP included **reviewing the Key Performance Indicators (KPIs) in the Logical Framework Analysis (LFA)** as defined by the BF under the framework for implementing the CSR project for the outputs, outcomes, and impact of the project. **Inclusiveness, Relevance, Efficiency, Convergence, Sustainability (IRECS) framework** was used to provide recommendations on the project performance for Company's evaluation.

**Methodology:**

- A mixed methods approach was deployed to undertake the impact assessment study in consultation with BF. Besides a quantitative survey, qualitative research methods such as Focus Group Discussions (FGDs) and In-depth Interviews (IDIs) were used with identified stakeholders to understand programmatic impact across the four (4) pillars of QSP.

- PW conducted a case-control study with students (N= 3846), teachers (N= 542), parents, and officials at 118 government schools in ten (10) states across India. Students were selected as case / control based on their "Cohort" – which is a group of people (in this case students/teachers) having a similar statistical factor (in this study class, schools). Students were interviewed from classes IV to XII covering primary, elementary and secondary schools. Students/ teachers/ schools belonged to one of nine (9) different cohorts.

- The case group for the study are the schools from Cohorts one to eight (1 to 8) and the control group for the study are the schools from Cohort nine (9), since they were new schools and were yet to experience the impact of the programme in its entirety.

- The case schools covered 3042 students the control schools covered 804 students. The case schools covered 421 teachers the control schools covered 121 teachers.

- Life skills were assessed using the Young Lives India UNICEF matrix[1]. Students were assessed on nine (9) domains – Critical Thinking, Decision Making, Problem Solving, Creativity, Participation, Resilience, Negotiation, Empathy and Communication.

**Key Findings:**

The key findings as observed from the assessment of the Quality Support Program under the four pillars are provided below:

**Student empowerment:** BF as a part of QSP undertook a plethora of interactive activities, workshops, exposure visits and events within its first programme pillar- "Student Empowerment". These interventions aimed to develop and strengthen life skills of students and enhance opportunities for student participation. BF under this pillar implemented systems such as clubs & houses within schools and provided support to schools in conducting and preparing students for inter/ intra school competitions across a range of categories such as sports, handwriting, drawing, debating, and painting competitions.

- 95% of the students reported that they had participated in at least one of the various school activities.

- Students from both case and control schools reported that since the inception of QSP in their school, more activities were being conducted.

- 90% of students in case schools and 82% of students in control schools suggested that they have instilled a sense of ownership towards organising such activities and events in their school.

[1] Young Lives India, Life skills measurement tool (elementary stage) by UNICEF (2020)

- In total, 62% of the students claimed to have undertaken at least one such workshop organised in the school. However, this number differs for case and control schools. While 66% of students had reported that they had participated in workshops in case schools, only 46% students participated in control schools.

- As per state-wise analysis of workshops attended by students, it was noted that in most states (barring Assam and Jharkhand), students in case schools are attending up to 5 workshops. Only a few students from case schools in states had attended over 10 workshops. These states are Assam, Jammu and Kashmir, Karnataka, and Jharkhand and Telangana. On the other hand, states such as Punjab, Delhi, Rajasthan, and Himachal Pradesh had no students in case schools who claimed to have attended over 10 workshops.

- A higher % of students strongly agree with workshops supporting their learning. This percentage is higher in case schools (58%), compared to control schools at 55.1%.

- Students were asked if their school participates in inter-school competitions, to which 79% of students across both case and control schools responded yes. Within case schools, this number was higher than overall percentage, wherein 81% students responded yes, and in control schools it was lower at 71%.

- Higher participation was witnessed in case schools (68%) in comparison to control schools (57%).

- During interactions with students, it was highlighted that students felt that winning awards worked as a positive reinforcement encouraging them to perform better and nurture their talents.

- Overall, 66% students reported that their school had won an award in the interschool competitions. There is a significant difference in the percentage of the student winning awards for case and control schools. For case schools this percentage is 69% whereas it is 54% for control schools.

- Maximum percentage of students of cohort 6 (76.4%) won awards, followed by cohort 5 (74.1%).

- There was a positive impact of the life skills workshops in the development of life skills among the students of standard 4th – 8th.

- Overall, for standards 4th – 8th, cohort 5 performed better while cohort 7 showed that it required further intervention. For standard 9th – 12th, the results are similar. Findings show that overall, cohort 5 performed better while cohort 7 performed comparatively lower in life skills.

- Overall, in terms of state analysis, for standard 4th – 8th, Punjab performed better while Jammu & Kashmir required further intervention support. For standard 9th – 12th, the results show that Punjab performed better overall while Rajasthan performed comparatively lower overall in life skills.

- It was also observed that for standards 4th – 8th, 20% of case group students fall in the basic and emerging category in overall life skills, while 19% of the control group students fall in the basic and emerging category in overall life skills. For standards 9th-12th, 20% of case group students fall in the basic and emerging category in overall life skills, while 19% of the control group students fall in the basic and emerging category in overall life skills.

- It was reported by all key stakeholders that the additional online activities like games, quizzes were conducted under QSP programme which helped the students be more engaged. Some principals further said that in all schools where BF was supporting, the academic mentors were instrumental in keeping both the students, parents as well as the teachers engaged as it was a difficult time for all, and several students could have fallen into depression. Few parents reported that they are unaware if BF has provided any support during the country-wide lockdown as they had limited interaction with the teachers.

**School leadership and teacher engagement:** Quality Support Programme included a range of activities that were developed to add to the expertise of teachers in their subjects at the Government schools. These activities and exposure programmes aimed at driving their passion for teaching further and equip them with the latest pedagogy as well as personal growth and the consequent fulfilment. The abilities of school leaders were further improved while acknowledging and supporting their driving force.

- Among all the cohorts, highest 86% teachers from cohort 7 participated in trainings followed by 80% teachers from cohort 6 who reported to be a part of trainings.

- As per the state wise analysis of case schools, Assam (92%), Jharkhand (94%) and Jammu & Kashmir (83%) reported highest number of teachers who participated in various trainings organized by Bharti Foundation for capacity building of teachers from case schools. On the other hand, Himachal Pradesh (48%) & Karnataka (43%) shown the lowest participation rate of teachers in trainings. In control schools, Meghalaya (89%), Punjab (71%) and Jammu & Kashmir (64%) had highest number of teachers who participated in trainings whereas Himachal Pradesh (14%) and Telangana has lowest number of teachers who were reported to be a part of trainings organized by Bharti Foundation.

- Respondents stated that the intervention of BF provided them an opportunity and enhanced their skills which supported them to participate in various competitions and win awards as well. 65% teachers from case schools and 59% teachers from control schools participated in School Leadership Excellence Programme.
- 47% of the teachers have reported that there is an improved student/teacher relationship, improved attentiveness in class, participation level and creative thinking.
- It was highlighted during the interactions that the use of digital tools started after the intervention of BF and increased especially during covid 19 period. BF provided training on Information and Communication Technology (ICT) tools where teachers have learnt about creating google forms etc.
- Respondents mentioned that after the intervention, parent involvement increased in school's ceremonies. They were now a part of school special events, such as the school annual day, award distribution day for students, etc.
- It was shared by the respondents in Jammu that BF took an initiative with Directorate of Education, Jammu and launched 'Take one' channel which used to telecast recorded lessons for the support of teachers during pandemic.

**Community and parent involvement:** This pillar of the programme aims to encourage structured interactions among parents and teachers to enable holistic development of students in the form of Parent Teacher Meetings (PTMs) and School Management Committee (SMC) meetings. This pillar also focuses on providing a more informed view to the parents about their child and where they can support their child's growth and development.

- During the interaction with students, it was highlighted that the parents regularly attend the PTMs which are held monthly/quarterly and or after the examinations. The points of discussion in the PTMs are pre-defined, better organised and structured, and more frequent in some cases focusing on – student results, student performance, student behaviour, student school participation and appreciation of their participation, disciplinary issues, and scholarships.
- During the interactions with parents, it was observed that most of the parents in case schools were more aware about the SMCs and some of the respondents were a part of the SMCs too.
- It was observed that the parents from the case schools were more involved in the home mentoring than the parents from the control schools. The parents actively looked after the development of children at home for school activities (academic and co-curricular) and motivated the students to take part in school activities.
- During our interactions with parents, respondents said that there has been improvement in the processes of organization of co-curricular activities as under the Quality Support Program the schools were also supported with equipment for sports, consumables for doing activities, etc.

**School environment:** BF focuses on creating a safe, supportive, engaging, and conducive to learning school environment by focusing its efforts on improved school processes, such as functional libraries, labs, and toilets, support in optimum usage of school resources, and in recognition of talent, awards, and skills.

- From the teacher's perspective it was reported that, majority of the respondents gave a lower score (1-3) for optimum usage of school resources in control group whereas in Case schools, maximum teachers gave higher scoring (5) for optimum usage of school resources. During the interactions with BF mentors and school staff it was reported that Bharti Foundation plays an important role in guiding school on how best to utilize resources available to get maximum benefit
- It was noted that improvement of amenities is (as per student responses) 2.5 times higher in case schools as compared to control schools. In majority of case schools, renovation of toilets, and laboratories are done.
- Students report that their efforts, talents, and skills being recognised is 2.5 times higher in case groups as compared to students in control group.
- Teachers' perspective on increased award-winning culture in school was rated on a scale of 1 to 5 (1 being a minimum rating and 5 being highest rating). Across the states (except Delhi), it was observed that the frequency of respondents who gave a maximum rating of 5 was higher in case schools as compared to control schools. In Delhi it was reported that respondents with a rating of 5 was lower in case schools (69%) as compared to control school (80%).
- The government has also recognised BF's efforts in their schools. This was noted during interactions with district/block officials as well.
- As per analysis the display board showing club and house activities being found in case schools is 3.7 times higher than control schools.
- It was reported that students from case schools feel a sense of pride in their school. This feeling of pride in students is 1.6 times higher in case school as compared to control schools.

**Recommendations:**

1. **Planning workshops to increase the coverage of teachers and students:** In cases where the complete participation of all the teachers and students for whom the workshops have been planned is not attained, the workshops can be organised on multiple days or spread across short intervals. This will help to ensure that all students and teachers are covered as a part of these workshops in a specific period. This model could also work for principals/ teachers who have just joined the programme, are new to the school and have missed on previously scheduled workshops/ activities.

2. **Incorporating session on more topics such as health and hygiene in workshops:** Workshops should incorporate other topics as well, such as basics of health and hygiene, menstrual hygiene, etc. This would help for all rounded growth of students and would also have a trickle-down effect into the overall community.

3. **Customised support for schools:** Over the period, the education system has evolved since the initiation of QSP across all the states, there are certain activities which the government schools are conducting as part of their own mandates from State Education departments which are also a part of QSP's Log-Frame Analysis. During the baseline, the assessment of the school status is conducted to understand the activities which they are already carrying out. Hence, QSP could customise their support accordingly. In case there are similar activities as per the government mandate which are already being carried out in the school, there, BF can focus on providing technical support to further strengthen those initiatives.

4. **Managing workload for mentors:** Conversations with mentors suggested that oftentimes mentors struggled with a clear definition of their role on the field. They stated how they would end up taking too many activities on themselves and would eventually deal with excess workload, which would be difficult for them to manage. Besides this they also stated that often they would also take care of programme documentation, which if reduced could help them manage their time better. For example, currently mentors were managing seven to eight (7 to 8) schools maintaining cluster level programme activities with teachers, and state level programmes, which was leading to delayed management and operations.

5. **Providing clarity to school leadership and teachers on the programme duration including the tapered exit for ensuring programme sustainability:** It was observed from the interactions with school administration and teachers that QSP is perceived as a five (5) year programme. However, the programme envisages 3 years of complete handholding to the school, with additional tapered support of 2 years so that the school can continue activities on its own even without the support from BF. Teachers lack clarity on the exit process and overall programme duration, which can be further strengthened by redoing workshops with changed school administration and teachers or teachers who missed the QSP workshops earlier. This will help teachers to adapt the programme more efficiently feel more engaged with it and will ensure the long-term programme sustainability. 6. Uniformity in key activities across QSP schools: Schools in different states have different activities and workshops. While the activities initiated are based on the needs of the students, some of the visible attractions in the school such as word wall, education, math fact and mirror are different/missing from many schools these should be uniformly carried out in all QSP schools.

6. **Uniformity in key activities across QSP schools:** Schools in different states have different activities and workshops. While the activities initiated are based on the needs of the students, some of the visible attractions in the school such as word wall, education, math fact and mirror are different/ missing from many schools these should be uniformly carried out in all QSP schools.

7. **Organising / Reorganising Life Skills Workshops:** An analysis of responses on the Life Skills Assessment suggested that cohort 7 students have not been able to score as well as other cohorts. To address this, it is recommended that life skills workshops be organized/reorganized (as the case may be) for all the life skills domains for cohort 7 for standards 4th – 8th and for standards 9th – 12th to reaffirm the life skills learnings for cohort 7 school students. It was also observed that the states of Rajasthan and Jammu & Kashmir have not been able to score as well as other states. To address this, it is recommended that life skills workshops be organized/reorganized (as the case may be) for all the life skills domains in Rajasthan and Jammu & Kashmir states for standards 4th – 8th and for standards 9th – 12th to reaffirm the life skills learnings of the students. It is recommended special attention be bestowed upon the students falling in the Basic and Emerging categories to strengthen their life skills learnings through a revisit of the life skills workshops.

A detailed analysis of the assessed impact of all the interventions can be found in the **Student Empowerment, School Leadership and Teacher Engagement, Parents and community involvement and School environment** sections and recommendations can be found in the section titled **Recommendations** in the detailed report.

# Annexure C2

## Gurushala Program

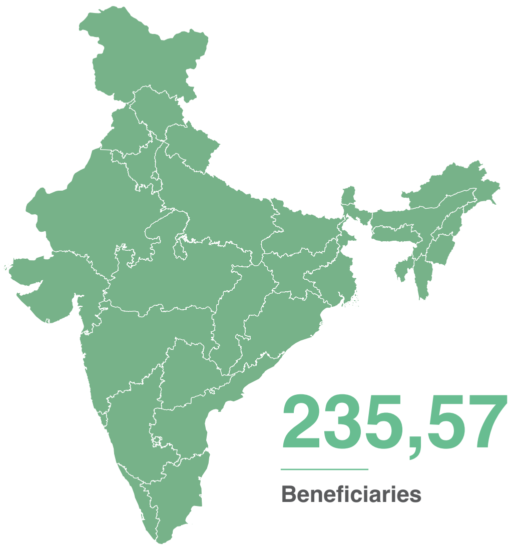
**Impact Assessment**

### Executive Summary

In the month of September 2019, Vodafone Idea Foundation along with its implementation partner, Pratham Education Foundation, launched the website, Gurushala. Gurushala platform being a digital platform, is available as a website and an application, has reached to more than 2 lakh beneficiaries across all the states of India. With the scale and reach achieved by this program, Vodafone Idea Foundation decided to conduct a third-party impact assessment study to reflect on the journey accomplished by the program

**Problem Statement**

- Availability of choices to teachers
- Contribution from teachers
- Aggregation of content



**235,578**

**Beneficiaries**

## Solution

| Implementation of Programme | Gurushala methodology has four key components being implemented: |
|---|---|
| 1. Creating learning channels | **Capacity Development**<br>• Self-paced online courses<br>• Training of teachers<br>• Sessions with experts |
| 2. Developing learning pathways | **Access to Resources**<br>• Wide range of content<br>• Pre-created lesson plans<br>• Content by teachers |
| 3. Introducing a teacher guided learning enhancement platform | **Connecting with Teachers**<br>• Forming communities<br>• Platform to ask and answer<br>• Collaborative sessions |
| | **Recognizing and Incentivizing**<br>• Competition for teachers<br>• Stories of teachers<br>• Rewards for teachers |

## Methodology

### Phase 1

**Desk Review & Evaluation of existing Theory of Change**

Interactions with Vodafone Idea Foundation team and implementation partners to understand projects, geographies, mode of implementation, intended impacts and processes.

Evaluation existing Theory of Change of these programs and strengthen the same.

### Phase 2

**Sampling and Tool Designing**

Finalization of sampling plan to be covered as a part of the study

Designing of tools for impact assessment study (tools were designed to capture responses through online mediums as well as through in-person field visits)

Sampling plan and tools were finalized in consultation with Vodafone Idea Foundation team and Implementation partner

### Phase 3

**Stakeholder Interaction and data collection**

Online surveys were rolled out to capture responses

In-person visits were conducted to select project locations to gather data from the ground

Collation of data gathered through online mediums as well as in-person field visits

### Phase 4

**Analysis & Impact Assessment Report Preparation**

Finalization of outline of the report in consultation with Vodafone Idea Foundation

Analysis of data collected for the study Preparation of final report

## Sampling

**Universe of Beneficiaries**

| | Trained Teachers | Students | Teachers |
|---|---|---|---|
| **Target** | 400 | 400 | 3000 |
| **Achieved** | 429 | 429 + 177* | 2894 + 147* |

Note: FGD with 147 teachers and 177 students were conducted during field visits to project locations

A primary research is conducted through quantitative and qualitative survey with target beneficiaries. Purposive sampling methodology was utilized to select respondents for the survey. The objective was to ensure 95% confidence level with 6% margin of error. This approach along with sampling methodology helped guarantee optimum possible representation of the universe across geographies.

- For the study, overall, 429 responses of students, 429 responses of trained teachers and 2894 + 147* responses of untrained teachers have been captured.
- The sampling reflects 95% confidence level and 6% margin error.
- Respondents included, Trained teachers working in government, and govt aided/other private schools. The responses came from across 20 states and UTs where Gurushala program is operational. Though the platform is accessed by users from across the country.
- The indirect beneficiary respondents also included students studying across government and government aided/private schools. The responses came from across 19 states and UTs where Gurushala program is operational.

- Responses were captured through online survey as well as field visits to select program locations. Survey Monkey platform was used to capture online responses.
- All responses are captured through one-on-one surveys which included multiple choice questions along with couple of qualitative questions designed specific to the intended outcomes of the program.

## Data Collection

In-person field visits were conducted in 2 states, Uttar Pradesh and Maharashtra, and 1 Union territory, Delhi. 10 Schools were covered in Maharashtra, while 2 in Delhi and 2 in Uttar Pradesh. The in-person visits were conducted to gain qualitative insights on the platform from the perspective of school management, teachers and students.

The qualitative inputs have been provided in form of recommendations and way forward. The below-given table represents the number of beneficiaries reached during field visits to gain qualitative inputs:

| State | Location | No. of schools covered | No. of trained teachers covered | No. of students covered |
|---|---|---|---|---|
| Maharashtra | Satara | 2 | 25 | 18 |
| | Sangli | 2 | 32 | 20 |
| | Pune | 4 | 30 | 66 |
| | Raigad | 2 | 22 | 20 |
| Delhi | New Delhi | 2 | 16 | 23 |
| Uttar Pradesh | Unnao | 2 | 22 | 30 |
| **Total** | | **14** | **147** | **177** |

## Profile of the respondents

**Trained teachers**

55% Males

45% Females

It can be seen that the responses collected for Trained teachers involves around 55 % of male teachers and 45% of female teachers. These responses collected for trained teachers are spread across 20 states and UTs of the country. The larger share of responses has come from the states of Jammu and Kashmir, Maharashtra, Uttar Pradesh and Delhi in a decreasing order respectively.

**Untrained teachers**

57% Males

43% Females

The responses collected for untrained teachers have come from 27 states and UTs, the gender distribution of the teachers who undertook survey are 57% males and 43% females. The larger share of responses has come from Jammu and Kashmir, Maharashtra and Assam respectively in decreasing order.

**Students**

55% Males

45% Females

In the case of students, it is evident from the pie chart that the number of female respondents are higher, which is around 55% while male respondents are 45%. The larger share of responses has come from the states of Maharashtra, Delhi, Telangana and Uttar Pradesh in a decreasing order respectively.

## Outcomes

**96%**

Trained teachers have learnt new skills and concepts from trainings and have applied the same in classrooms.

**95%**

Trained teachers observed improvement in learning outcomes of students post implementing new methodologies in classroom

**89%**

Trained teachers integrated technology in the classroom and around 94% of them shared that the trainings helped them integrate technology in the classroom.

**90%**

Students shared that their learnings from Gurushala have complemented their academic performance

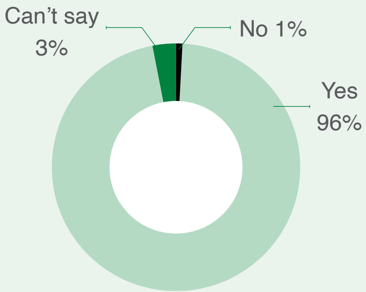
**93%**

Students shared that they like non-academic classes like Spoken English which were held during summer vacations.

## Trained Teachers

**96%**

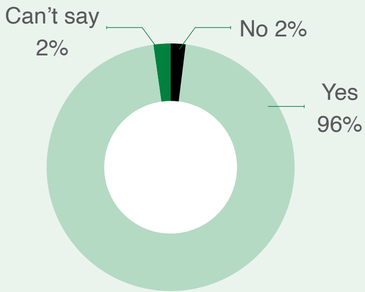
**Applications of skills in the classroom**




**Applications of skills in the classroom**

**96%**

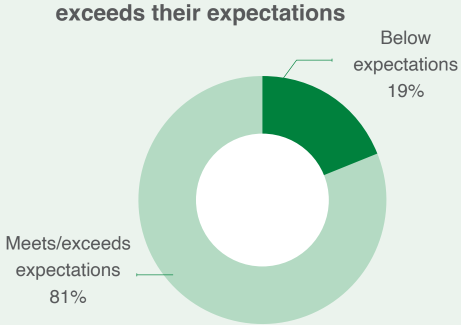
**Have learned new skills and concepts from trainings**




**Learned new skills and concepts from trainings**

**81%**

**Shared that the trainings either meets their expectations or exceeds their expectations**

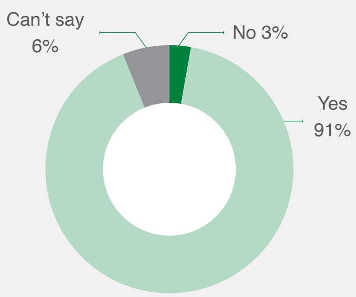



**Trainings and Sessions by Experts**

## Students

# 91%

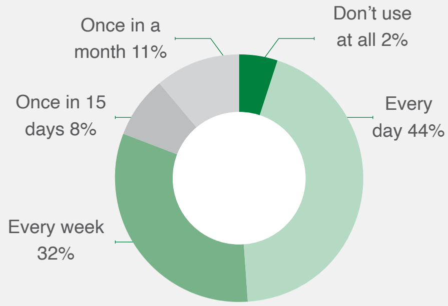
find learning from Gurushala engaging and fun




**Learning on Gurushala- engaging and fun**

# 76%

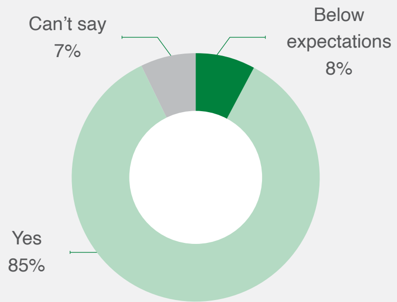
use the platform on once a week




**Frequency of use of platform**

# 85%

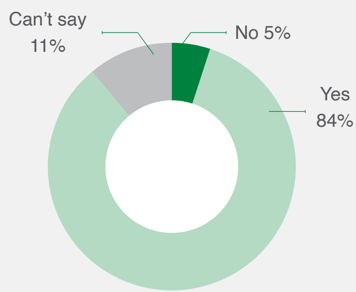
have observed improvement in the teaching style of teachers




**Improvement in teaching style of teachers**

# 84%

shared that they have observed improvement in their scores attributing to Gurushala platform




**Improvement in scores**

## Way forward

Study showcases that the Vodafone Idea Foundation is moving in the direction of achieving the intended impact. Along with the positives of the program, it was also observed that if certain elements are incorporated in the program, it would help enhance the overall outcomes. These elements are as follows -

### Strengthening

**Availability of content in regional language**

It was suggested by teachers to have content in regional languages that will not only suit their needs but will also help them to run the lesson plans in the classroom for effective delivery of the content.

**Trainings in hybrid mode**

The in-person trainings will provide opportunities for teachers to connect with each other and share best practices. It will also help teachers to establish a connect with the facilitator.

**Pedagogy**

Enable the system in terms of using various elements like PPT, Canva, Word. Videos that can be uploaded and can be referred to seamlessly as this will ensure to keep students engaged throughout the class.

### Sustainability

**Institutionalize digital literacy**

Ensuring that all the teachers who are currently present in the system get trained on all the aspects of pedagogy and use of platform etc. Orientation videos on usage of platform should be circulated with all the implementing partners to refer as and when required. Developing content in regional languages is one of the best ways to inculcate the habit of using platforms regularly.

### Scalability

**Institutional Partnerships**

Currently, the program is being run at a large scale. Adding increased focus on establishing connects with various state governments, highlighting the importance of the platform, developing content in regional languages and enabling teachers through trainings can help Gurushala reach each and every household, and will create a snowball effect as students will start learning and will ultimately exhibit improved learning outcomes.

# Annexure D

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
**The Members of Indus Towers Limited**
(Formerly Bharti Infratel Limited)

1. This certificate is issued in accordance with the terms of our engagement letter dated September 29, 2022 and subsequent addendum letter dated April 20, 2023.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Indus Towers Limited (formerly Bharti Infratel Limited) (the "Company"),have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2023, 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").

### Management's and Board of Directors' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management and Board of Directors. 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 the 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 as stipulated in the Listing regulation. 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 (Revised 2016) 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, 2023.

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 & Sells LLP**
**Chartered Accountants**
**(Firm's registration No. 117366W/W-100018)**

**Anup Kumar Sharma**
Partner
Membership No: 063828
UDIN: 23063828BGXOWL4984

Place: Gurugram
Date: April 26, 2023

# 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, 2023, which were not at arm's length basis.

### 2. Details of material contracts or arrangement or transactions at arm's length basis

| 1 | Sl. No. | 1 (One) |
|---|---|---|
| (a) | Name(s) of the related party and nature of relationship | Bharti Airtel Limited (Promoter Company). |
| (b) | Nature of contracts/ arrangements/<br>Transactions | • To provide passive infrastructure services<br>• To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc.<br>• Rental/Reimbursement of charges towards usage of offices/properties and availing related services. |
| (c) | Duration of the contracts/ arrangements/transactions | All the contracts/arrangements/transactions are ongoing basis except as under:-<br>• Long term contracts for providing of passive infrastructure services to Bharti Airtel Limited for each colocation by Indus Towers Limited or "the Company" pursuant to Master Service Agreement executed between Bharti Airtel Limited and the Company.<br>• By virtue of various amendments, the Company has negotiated a renewal package against the tenancies expired by March 31, 2023, which now stands extended for 10 years.<br>• Agreement for USOF sites for Project management and Operation and maintenance on behalf of Bharti Airtel Ltd.<br>• Multiple separate term sheets have been signed with Bharti Airtel Limited for new products offered from time to time including but not limited to Eco Site, Eco Lite site, Repeater Site, IOT, Nano Site, Small Cell, Lite Plus, Feather 2.0, ID/OD Conversions, Solar Solution, Plinth etc.<br>• Exit Settlement Agreement for Telenor and Tata exited sites has completed as of March 31, 2022. |

| 1 | Sl. No. | 1 (One) |
|---|---|---|
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | • To provide passive infrastructure services<br><br>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 has entered into to amendments for the Company. 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.<br><br>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 reimbursed from the customer. The parties have also executed joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions.<br><br>Both the parties vide various amendments, have changed some of the existing clauses of the MSA in respect of<br><br>1. change in standard thresholds for additional charges<br><br>2. changes in the permitted exit for tenancy and active equipment in order to bring parity with new business.<br><br>3. Changes in respect of Security Deposit and credit period<br><br>4. Reconciliation Resolution<br><br>5. New product introduction keeping in mind requirement for various solutions for their network<br><br>Further, Under USOF agreements, the Company is entitled to one-time project management charges for USOF sites RFIed by Indus on behalf of Airtel. Additionally, the Company will also get monthly Operation & maintenance charges against the Indus maintained 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.<br><br>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 FY 2022-23 amounts to ₹ 123,565 Mn (excluding GST).<br><br>Further, revenue recognized during FY 2022-23 due to exit charges (including interest) on account of exit settlement term sheet executed earlier amounting to ₹ 381 Mn (excluding GST). |

| 1 | Sl. No. | 1 (One) |
| --- | --- | --- |
| | | • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc.<br><br>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.<br><br>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 FY 2022-23 amounts to ₹ 111 Mn.<br><br>• Rental/Reimbursement of charges towards usage of offices/properties and availing related services.<br><br>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.<br><br>Overall monetary value of the transaction depends upon the type of services availed and the charges applicable at the relevant time. The value of such transaction incurred during FY 2022-23 amounts to ₹ 14 Mn. |
| (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 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 are placed before the Audit & Risk Management Committee on quarterly basis for their review.

For and on behalf of the Board of Directors of **Indus Towers Limited**

**N Kumar**
Chairman
D IN: 00007848

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

Date: April 26, 2023
Place: Gurugram

# 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

| | |
|---|---|
| The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2022-23 | The median remuneration of employees is ₹ 950,000 per annum. Please refer **Table A** for the ratios. |
| The percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year 2022-23 | Please refer **Table A** |
| The percentage increase in the median remuneration of employees in the Financial Year 2022-23 | 8.32% |
| The number of permanent employees on the rolls of the Company as on March 31, 2023 (on standalone basis) | 3,249 |
| Average percentile increase already made in the salaries of employees other than the managerial personnel in financial year 2022-23 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 10.46% and average increase in the remuneration of KMPs and managerial personnel is 14.29% in line with the industry benchmark |
| 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 | % increase in remuneration in financial year 2022-23 [$$] | Ratio of remuneration of each director to median remuneration of employees [a] |
|---|---|---|---|
| **Executive Directors** | | | |
| 1 | Mr. Bimal Dayal (Managing Director & CEO)[b] | 5.01 | N.A. |
| 2 | Mr. Prachur Sah (Managing Director & CEO)[c] | N.A. | 55.26 |
| **Independent Directors[d]** | | | |
| 3 | Anita Kapur | Nil | 3.16 |
| 4 | N Kumar | Nil | 3.68 |
| 5 | Ramesh Abhishek | Nil | 2.89 |
| 6 | Sharad Bhansali | Nil | 2.89 |
| 7 | Sonu Bhasin | Nil | 3.16 |
| **KMPs other than Executive Directors** | | | |
| 8 | Vikas Poddar (CFO) | 15.75 | N.A. |
| 9 | Samridhi Rodhe (Company Secretary) | 18.60 | N.A. |

$$ *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.*

a. *Based on Annualized Remuneration.*

b. *Mr. Bimal Dayal resigned w.e.f. September 17, 2022.*

c. *Mr. Prachur Sah was appointed w.e.f. January 03, 2023.*

d. *In terms of the remuneration policy for the Financial Year 2022-23, Independent Directors were 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 2022-23.*

# Annexure G

## Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Indus Towers has always remained committed to experimenting and adopting energy conservation and environment friendly technologies.

The 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 telecom 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 optimum utilization of resources, a considerable reduction in energy cost per co-location, faster rollouts, and lowers emissions.

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 are committed towards maintaining operational excellence with higher uptime at lower energy costs. To support our vision, we have continued our journey in adopting and implementing latest and efficient energy storage solutions, renewable energy solutions and centralized reporting platform/system thereby increasing our efficiency in site management, asset management, improved infra utilization, reduction in energy costs and lower carbon footprints.

We have continued to test the feasibility of different energy storage solution:

- Power storage solution: Adopting effective battery solutions such as Lithium ion and Lithium ion + VRLA combo with remote monitoring. This enables the reduction in the DG run hours at each site.
- Standby Generator: Steps have been taken to move from Diesel based generators to PNG based generator at a few sites. Also, we have undertaken evaluation of various technologies vis advanced hydrogen on demand system for saving fuel & cutting emission.
- Non DG sites solutions - Li-ion battery as service for Non-DG sites is implemented where Mobile-DG was used in the event of long grid failure, resulting in diesel reduction at sites.

With our constant efforts on ground, we are proud that not only have we created new benchmarks in energy conservation but we have also established more than 80,000 Low Diesel Consumption Sites pan India.

Our focus on “Moving out of Air conditioner” remains unruffled. We have been constantly marching in our journey and have converted 87% of our portfolio to Outdoor, which has not only resulted in reducing emissions but is cost efficient as well.

With the concept of creating leaner and permanent greener sites, we have implemented DG free ultra-lean tower designs for urban sites and multiple configurations for pole structures for rural sites with single power box (SMPS+BB) instead of 2 standalone power cabinets where sites were powered only using Discom supplied electricity and battery backup only.

**(ii) The following initiatives have been undertaken by the Company to utilize alternate source of energy:**

- With constant innovation in changing energy paradigm and alternate energy utilization as the focal point of the organization, we are constantly looking for conventional or non-conventional energy sources which would be viable for the organization in all aspects such as technical, commercial proposition and scalability. Different solutions for alternate energy such as solar, hydrogen-based fuel cell, PNG gensets, Aluminium-Air and Lithium-ion based energy system have been tested and implementation of these solutions are planned for FY 23-24.
- In our efforts toward replacing Diesel Gensets, we have deployed PNG gensets on a few site thus enabling utilization of natural gas which is cleaner and cheaper source of energy. For future readiness we have planned proto testing of PNG retrofit.

- Our constant endeavor towards enhancing alternate energy utilization in our network has resulted in reduction in carbon emission. To further enhance our reach, we have developed a 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.

**(iii) Future plan of action**

- With digital orchestration and implementation being one of the major initiatives for FY 23-24, we are planning to deploy Dynamic Site Aggregate Load Management system for bi-directional communication through SNMP (Simple Network Management Protocol) integration thereby digitally empowering the organization to use the data collected from sites and effectively strengthen operational efficiency, accurate asset management and equipment performance at sites and remotely auto-healing/correction with human intervention. This system will help the organization in becoming a highly autonomous network with minimal human intervention.

- With our constant pervasiveness towards greener organization through our vision for "Shut DG", we will continue adopting newer and higher efficient Energy storage systems for better uptime with li-ion storage system, Lithium-ion mobile battery swap solution and Aluminium-Air energy system, renewable solution. We have planned feasibility test and development of vanadium redox flow battery Solution and Hybrid hydrogen fuel cell.

- To improve on utilization of renewables and increasing our contribution towards building a greener society, we continue to focus on Solar powered sites with scaleup plan for the deployment of distributed solar system at significant number of sites and hybrid system of wind and solar at a few sites with remote monitoring by implementation of bi-directional communication through SNMP integration and data interpretation through Tower Operation Centre in FY 23-24.

We would like the year 2023-24 to be marked as a year of excellence where we maximize the utilization of energy innovation transpired till date and introduce renewable and more efficient energy solution thus enabling greener and brighter tomorrow.

**(iv) The capital investment on energy conservation equipments**

(₹ in Mn.)

| S. No. | Capex on Energy Conservation | Consolidated | Standalone |
|---|---|---|---|
| 1 | During Financial Year 2022-23 | 1,191 | 1,191 |
| 2 | Cumulative as on March 31, 2023 | 10,206 | 10,206 |

## B. TECHNOLOGY ABSORPTION

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services.

Digital Operations is the 'process' center of digital transformation, providing the orchestration of systems and other resources. It incorporates mechanisms for sensing and responding, while potentially supporting dynamic learning and optimization. It is the beginning of a business discipline for increasing organizational agility. It encompasses a holistic set of methods and enabling technologies associated with how the firm delivers value via a digital platform in real-time.

- In the current financial year, we have planned the pilot on the use of digital diagnosis for Structural and foundation analysis. In collaboration with the leading service providers in this field we are in the process to evaluate and deploy this technology for Digital Diagnosis, to survey the site with dispersive wave technology for NDT Analysis for foundation structures.

- We have undertaken pilot for use of Drone as a service for remote diagnostics of tower assets and use of digital twin to realize the following advantages in our operations:

  a. Site access management-Plan, approve, and monitor all site visits.

b. Revenue reassurance- Perform real-time tracking of antennas and other equipment installed on a tower, to ensure that relevant contract escalators are triggered.

c. Accurate Asset Inventory and movement.

d. Preventive maintenance for Operations

e. Colocation management- View capacity at a site or portfolio level; maximize site-sharing opportunities.

- With our constant endeavor towards process improvement, we have implemented an automated integrated tool for system generated material request and purchase order which helps in capturing all non-standard / exception cost in system resulting enhanced governance and control with reduction in manual intervention, minimal cost variation and overall capex saving at organizational level.

- We have implemented digitized and automated measurement and billing life cycle enabling the reduction of stages in work completion certification resulting in faster closure of partner payment services.

- We have implemented iAssure tool; a digitized real time geofenced site audit acceptance and documentation tool resulting in zero paper or physical documentation of audit activity by quality engineers while assuring digital availability of site artifacts for future purpose.

- FTTH and fiberization- The recently launched 5G will transform India and lead to increased data traffic, requiring existing networks to be upgraded, developing advanced infrastructure with enhanced technologies, and new ones to be built as greenfield initiatives. Pilot project to enable fiberization and neutral host FTTH infrastructure is implemented in one of the metro cities.

## 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 is a telecom tower infrastructure service provider currently serving only the Indian market. Hence, no activity relating to exports or development of export markets for its services was undertaken by the Company.

(ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning: Nil

(b) Total Foreign Exchange Outgo: USD 87,949.92, JPY 168,600 & AUD 1,180

# 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, 2023).

Wireless broadband base now stands at 813.08 million, representing a wireless broadband penetration of ~71%, compared to 67% last year. (Source: TRAI). The active subscriber base was at 1.03 billion with the share of active users at 90.4%, compared to 89.4% last year.

There has been a strong trend of data consumption in the last few years. Several factors have facilitated this consumption story, led by the Government's strong push towards digitization which put a number of positive regulatory developments in action. Technological advancements and higher tower rollouts have led to increased network capacity and coverage. Low-cost smartphones and lower tariffs have further increased the affordability for the average Indian consumer, especially in rural areas. India has one of the lowest tariffs globally, thus outlining the potential for growth of Telecom Service Providers' (TSPs) ARPUs in the future. The demographic profile of India is favourable, with the median age of the Indian population at 29 years in 2022. Younger consumers are more likely to embrace digitization than their older counterparts, and they demand higher speeds and low latency for their increasing consumption of video content and cloud gaming among other things. To support these functionalities, having the appropriate telecom infrastructure in place is essential.

The Nokia India MBiT Index Report 2023 reiterates the strong data consumption seen over the past few years. Data traffic in India remains amongst the highest in the world and has grown at a CAGR of 50% in mobile broadband over the past 6 years. The average monthly data traffic per user has also grown at a CAGR of 19% in the last 4 years to ~19.5 GB in December 2022. The momentum continued in 2022 as both overall data traffic and average monthly data traffic per user grew by 14% year-on-year. The growth is underpinned by the continued migration from 2G/3G to 4G, given 31 million 4G data users were added/upgraded in 2022. The launch of 5G services during the year and the rapid rollouts by the operators are expected to augment this data consumption even further. As per the Nokia report, cumulative 5G smartphone shipments are expected to cross the 100 million mark in Q2 2023, surpassing 4G smartphone shipments by the end of 2023. As per Ericsson mobility report, 5G subscriptions are expected to reach the 500 million mark by 2027 with a penetration of about 40%.

Geographically, the rural market is underpenetrated compared to urban market, as evidenced by the low teledensity of 57% in rural compared to 128% in urban. The non-wireless broadband segment also has significant potential for growth in the future. As of March 2023, the share of non-wireless broadband subscribers was only 4% of total broadband subscribers' base. (Source: TRAI)

> "Average monthly data traffic per user grew at a 5-year CAGR of 28% to 19.5 GB in December 2022"

## India Telecom Infrastructure Industry Overview

The Indian Telecom Infrastructure industry is comprised IP-I 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 ~754,000 since 2010"

For more than a decade, IP-1 players have acted as anchor for the swift proliferation of wireless services in the country. With the 5G rollouts in full swing and a pan-India rollout planned by the top two operators within the current financial year, infrastructure players are expected to continue playing a key role in supporting the rollouts.

By providing shared infrastructure to TSPs, IP-1 players ensure opex and capex efficiencies, faster time-to-market and avoid 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 ~754,000 towers at present providing ubiquitous quality services to 1.17 billion consumers.

As outlined earlier, the rapid growth in data consumption coupled with the fast-paced 5G rollouts are expected to provide a fillip to the tower infrastructure industry. As 5G proliferates across the nation, there will be a need for increased capacity to meet the network demands. As per the EY-DIPA September 2022 report, the current capacity per tower site is 1 Gbps for 2G/3G/4G services, while going forward the capacity needed for each site is expected to increase to 10-20 Gbps for 5G services. Hence macro towers will increasingly be supplemented by leaner structures like small cells and In-Building solutions (IBS) ideally connected by a fiber network. As per the report almost 85% of the data traffic and 70% of voice traffic is currently generated indoors and would drive the demand for IBS.

5G would also further strengthen the case for fiberization of towers, another opportunity that can be explored by towercos. India's current tower fiberization level is at around 35% which is significantly lower than the likes of Thailand (90%), Malaysia (80%), US, Japan and China (75%), as per the report. This is expected to pick up to ~70% by 2024-25. The fiber kms per capita for India is also quite low at 0.09 compared to upwards of 1.3 in US, Japan and China. The Government is also driving fiber connectivity and is aiming to ensure fiber connectivity to all villages by 2023.

In addition to the opportunities presented by the usual course of business, there are a few adjacent areas that are appealing to towercos. Handling the active infrastructure of TSPs is one such opportunity given towercos expertise of handling passive infrastructure and the cost efficiencies arising out of such an arrangement. The pan-India presence of tower sites also provides an opportunity to provide EV charging infrastructure or outdoor advertising. Given the proximity of tower sites to customers, they are ideal for the co-location of edge computing infrastructure. All these areas can be explored by towercos.

## Industry Structure and Key Developments

**Launch of 'Gati Shakti Sanchar' portal:** The year gone by saw an important development in the telecom sector in the form of the launch of a centralized portal 'Gati Shakti Sanchar' to facilitate 'Right of Way' ("RoW") permissions and approvals. The portal has eased the right of way application process through a single window, and allows real-time tracking of applications, which is expected to enhance transparency of the entire process. With 5G rollouts in full swing, this significantly eases the site acquisition process and leads to a much faster creation of 5G infrastructure in the country.

**Right of Way (RoW) changes:** Under the notified Right of Way (Amendment) Rules, 2022, street furniture can be used to deploy small cells at a nominal cost. The ability to use street furniture is important from 5G perspective, as telecom infrastructure needed to facilitate 5G would be in the form of much leaner structures and in large quantity. As per RoW (Amendment) Rules, 2022, licensees can deploy telecom infrastructure over any private property and shall not require any approval from the concerned authority but shall submit an intimation prior to commencement of such establishment.

The Government is also working with cross sectors i.e., National Highways Authority of India (NHAI), Ministry of Road Transport and Highways (MoRTH), Indian Railways to align their RoW policy with central notified policy for faster utilization of land and building available with them. Indian Railways have amended their policy and allowed IP1 infrastructure players to deploy telecom infrastructure on their land/property.

**Draft Telecom Bill:** The Government released the draft Indian Telecommunication Bill, 2022 in November for public consultation, proposing comprehensive legislation to replace three laws: the Indian Telegraph Act, 1885, the Indian Wireless Telegraphy Act, 1933, and the Telegraph Wires (Unlawful

Possession) Act, 1950. These existing laws were made decades before the internet age and the technology currently available, hence a new single bill makes more sense from a relevance standpoint. As per the Government, the primary motive of the bill is to protect consumers by ensuring quality service and maintaining a healthy competition. The bill states that in case a TSP becomes insolvent, the spectrum assigned to it reverts to the control of the Government. The bill in its current form also allows the Government to waive license fees /registration fees, interest, additional charges or penalty or damages payable by TSPs, if needed to protect consumers, preserve competition, or ensure continuity in telecom services.

**5G Updates:** The year began with the announcement of the 5G spectrum auctions by the Government. The auctions were conducted in July-August and saw active participation from the top 2 operators. The operators began their 5G rollouts in October, which have progressed at a rapid pace since. A brief description of these events is given below:

a) **Auction -** The 5G auction in July-August saw active participation from the TSPs, with the acquisition of a total of 51,226 MHz of spectrum across bands, out of a total of 72,098 MHz put up for auction. Out of the total acquisitions made, Jio acquired 24,740 MHz of 5G airwaves at a cost of ~Rs 881 billion. Airtel bought 19,868 MHz of airwaves worth ~Rs 431 billion while VIL spent ~Rs 188 billion to buy 6,228 MHz of airwaves. The top two operators also announced their aggressive rollout plans. Airtel is planning a pan-India rollout by March 2024, while Jio expects to complete its pan-India rollout by December 2023.

b) **5G rollouts –** The TSPs began rolling out 5G services in October and the rollouts have been progressing at a rapid pace with operators working towards their plan for a pan-India 5G rollout within the stipulated timelines. Within 6 months of the launch, more than 140,000 Base Transceiver Stations (BTS) have been deployed across the country, with the top 2 operators together putting up more than 30,000 BTS per month on an average. As a result, 5G services are now available in more than 500 cities across the nation. Both the operators have decided to rollout 5G services on different technologies. While Airtel has opted for 5G Non-Standalone (NSA), Jio has opted for 5G Standalone (SA). Different technologies also warrant different network configuration and the number of equipment to be installed on a tower.

As the leading passive infrastructure player in the country, Indus Towers is committed to facilitate the swift rollout of 5G services. The company is seeing increased demand in the form of additional loading of 5G equipment on its existing sites and it remains well-placed to cater to this demand and maximize the opportunity arising out of it. As the network matures with greater 5G adoption, there will be a need for increased capacity as well, driving the demand for new sites.

> "5G auction concluded with >50,000 MHz of spectrum purchased for more than Rs 1.5 trillion"

**SingTel stake sale in Airtel:** In September 2022, Singtel concluded the sale of its 3.33% stake in Bharti Airtel for ~Rs. 144 billion. Around 3.2% was acquired by Bharti Telecom Limited (BTL), while the rest was acquired by the public. Post completion of the stake sale, BTL owned 38.62% in Airtel, up from 35.4%. Singtel's effective holding in Bharti Airtel decreased from 31.4% to 29.7%. Its reduced holding in Airtel will include a 19.2% (up from 17.5%) indirect stake through BTL and a 10.5% (down from 13.9%) direct stake. Mittal family's effective stake in Airtel – direct and through BTL – increased to 25.5% from 23.9%.

**VIL equity conversion:** In February 2023, the Government cleared the conversion of VIL's interest on spectrum installments and AGR dues to Government equity in line with the reforms and support package for telecom sector announced in September 2021 and the conversion option exercised by VIL earlier. Subsequently, equity shares of VIL against its interest dues of Rs. ~161 billion were allotted to the Government. Post the allotment the shareholding of the Government of India stands at 33.44% in the Company.

> "5G gathering momentum with completion of coverage across more than 500 cities"

## Company updates

**Update on Key Managerial Personnel and Board of Directors:** In December 2022, the Board of Directors of the Company appointed Mr. Prachur Sah as Managing Director and Chief Executive Officer (MD & CEO) of the Company w.e.f. January 3, 2023, for a period of five years. Additionally, Mr. Pankaj Tewari was appointed as an additional director in the category of Non-Executive Non-Independent Director while Mr. Ramesh Abhishek was appointed as an additional director in the category of Independent Director.

**Master Service Agreement (MSA) renewals:** During the year, the company renewed a large part of its colocation portfolio with its two major customers. Both the customers have renewed the colocations for a period of 10 years thereby assuring long-term commitment and revenue for the Company, while retaining the option of exiting up to 9% sites without exit penalty. Though the revised pricing is likely to result in marginal reduction in revenue for the Company, the reduction in revenue should be offset by incremental revenue from future rollouts by the customers for their network expansion.

## Opportunities and Threats

### Opportunities

**Network expansion led by 5G rollout and further penetration of 4G:** The fast-paced 5G rollouts coupled with the migration of 2G/3G users to 4G are expected to lead to the increased demand for passive telecom infrastructure to handle both coverage and capacity requirements. The demand for passive infrastructure presents a greenfield opportunity for the towercos in the form of 5G small cells, strengthening of existing towers for loading of 5G equipment and network densification through infill sites for further penetration of 4G. As per the EY-DIPA report January 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. Since this will require a large volume of small cells and infill sites, optimisation of site and tower design for reduction of both capex and opex will be the key for a quick rollout by TSPs. Given the expertise of towercos in getting RoW permissions and deploying towers in an efficient manner, the towercos are better placed to capture this opportunity.

The coverage gap in 4G network especially in rural areas for leading TSPs also offers a great opportunity. As the TSPs are increasing their focus on bridging this gap, leading towercos stand to benefit from this by capitalising on their existing relationship with TSPs and expertise in efficient site rollout.

**Business adjacencies:** For a tower company, several adjacent business opportunities exist beyond the domain of creating and managing passive infrastructure. The ubiquitous presence of tower sites presents an opportunity to provide Electric Vehicle (EV) charging infrastructure. Adoption of Electric Vehicles is increasing every day and is expected to grow substantially in the future, considering the focus of countries across the world to reduce their environmental impact by using cleaner fuels. Towercos already have the experience of managing distributed infrastructure, acquiring land or site and providing power solutions on these locations which are the key requirements for setting-up EV charging stations. Experience in managing these infrastructures at a large scale is a big competitive advantage for towercos. This makes a good case for towercos to build on this emerging opportunity.

On similar lines, towercos are also well positioned to provide outdoor advertising and surveillance on their sites. Presence of tall structures in cities and along the highways make them an apt choice for advertisers. Pan India presence of such structures offers a greater coverage opportunity to an entity with national interest.

**Inorganic growth:** Presently, the towerco space is comprised 3 large players supplemented by a number of small players with relatively limited footprints. The present structure of the operator industry with only 3 major TSPs is not conducive for the existence of a large number of towercos. This is because the whole construct of efficiencies arising out of passive infrastructure sharing gets diluted in such a situation. Hence, consolidation within the towerco industry would be a logical progression and Indus Towers keeps evaluating such opportunities which would offer value.

**Regulatory actions:** The Government's positive steps to promote the faster deployment of telecom infrastructure across the nation provides an opportunity for towercos. The launch of a centralized 'Gati Shakti Sanchar' portal to facilitate 'Right of Way' ("RoW") permissions and approvals has eased the right of way application process through a single window, and allows real-time tracking of applications, which is expected to enhance transparency of the entire process.

Changes to Right of Way (RoW) rules now allow towercos to deploy small cells on street infrastructure at a nominal cost. The ability to use street furniture is important from a 5G perspective, as the telecom infrastructure needed to facilitate 5G would be in the form of much leaner structures. Additionally, towercos can deploy telecom infrastructure over any private property by simply submitting an intimation to the concerned authority prior to commencement of such establishment, without the need for an explicit approval.

The Government is also working with cross sectors i.e., National Highways Authority of India (NHAI), Ministry of Road Transport and Highways (MoRTH), Indian Railways to align their Right of Way (RoW) policy with central notified policy for faster utilization of land, building available with them. Indian Railways have amended their policy and allowed IP1 infrastructure players to deploy telecom infrastructure on their land/property.

**Threats**

**Operators financial state:** The financial stability of the TSPs still remains a key monitorable for the sector. In the past few years, TSPs have made significant outlays on spectrum purchase and rollouts of services. The year 2022-23 also witnessed substantial investments from the major TSPs towards aggressive rollout of 5G services. This is expected to continue in the near to medium term as TSPs aim for pan India coverage of 5G services in the current year, thus putting further stress on their financials. Such developments may impair the ability of TSPs to make payments to Indus Towers for the passive telecom infrastructure Indus provides.

**Consolidation in TSP space:** The structure of the telecom industry has evolved a lot over the last decade from more than 10 TSPs to the current structure of 3 large private TSPs. Further consolidation within the space would pose a threat to towercos, as the fundamental benefit of passive infrastructure sharing offered to TSPs would be significantly diluted. Operating cost will increase for both towers and TSPs, and may impact the profitability.

**Rising competition among towercos:** The towerco industry is currently represented by 3 major towercos and a large number of small players. Consolidation in the TSP space has caused rise in the competitive intensity putting pressure on pricing and market share. As the industry is also witnessing a shift towards leaner towers for network densification purpose, small players have become more active in acquiring incremental share through predatory pricing etc. These factors may impact 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.

**Unfavourable terms for contract renewals:** Any adverse changes to the contract terms with the customer such as lower pricing or annual escalation upon renewal of leasing agreements pose a threat to the Company. The contracts are typically signed for a period of 10-year and any unfavorable change in the terms would directly affect the financials.

**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 (1/10th) 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.

**Strategy/Outlook:**

The demand outlook for the telecom infrastructure space remains healthy, underpinned by the strong data consumption story, accelerated 5G rollouts and network gap in 4G services. Looking forward, one of the Company's key priorities is to acquire the most of incremental market share. To this end, the Company is continuously working towards simplifying its end-to-end processes to facilitate a faster time-to-market of its products, which has been one of the important asks of the customers. Use of technology and innovation in tower design and erection will be key enabler to achieve this goal. The Company has a sharp focus on driving cost efficiencies in both capex and opex to further strengthen the cost competitiveness of its services. Indus Towers prides itself on delivering operation excellence to its customers as maintaining a high uptime of its sites is one of its strategic priorities. The Company believes that time to market, cost and uptime have potential to create value for its customers, hence it remains committed to offer competitive services to them. The Company's strategy is aligned with its long-term vision of providing customer delight through continuous innovation.

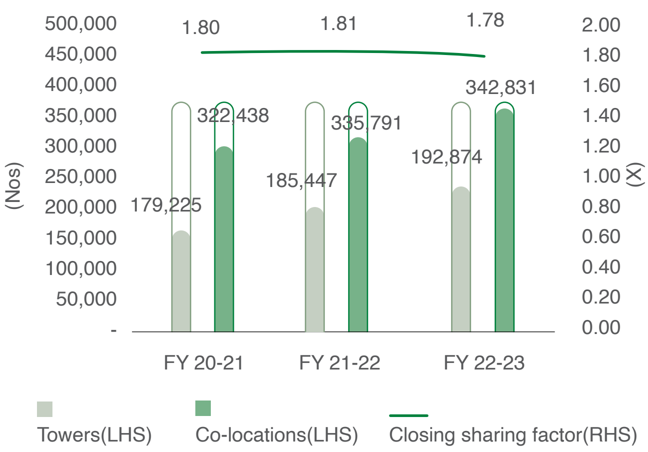
## Financial Results & Operations:

The Company's net tower portfolio grew to 192,874 and net colocations grew to 342,831 as on March 31, 2023. For the year ended March 31, 2023, the closing sharing factor stood at 1.78 times per tower. For the quarter ended March 31, 2023, Indus Towers had average sharing factor of 1.79 (with closing sharing factor of 1.78 per tower). The consolidated revenues for the year, at Rs. 283,818 Mn grew by 2% over the corresponding period last year.

For the year ending March 31, 2023, EBITDA declined by 35% Y-o-Y to Rs. 97,670 Mn, representing an operating margin of 34.4%. EBIT declined by 55% Y-o-Y to Rs. 43,447 Mn and the net profit for the year decreased by 68% to Rs. 20,400 Mn.

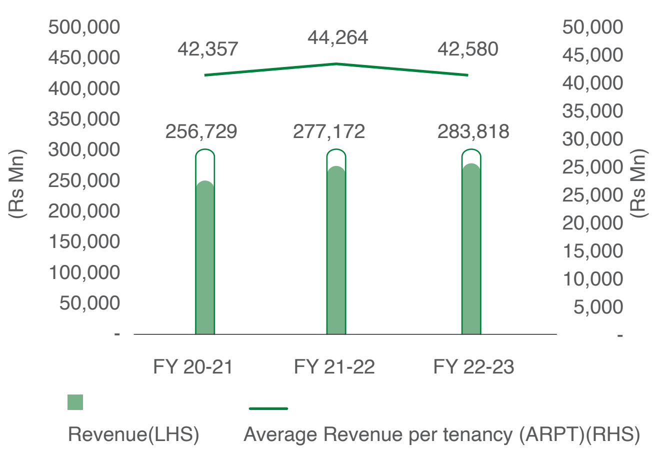
The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 issued thereunder and other relevant provisions of the Companies Act, 2013 as amended from time to time.

Towers and Co-Locations

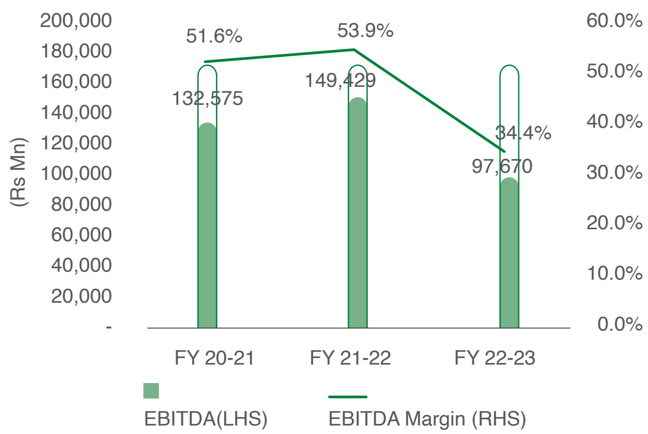



Note: Total Co-locations excludes Lean products, which were at 6,924 as of March 31, 2023.

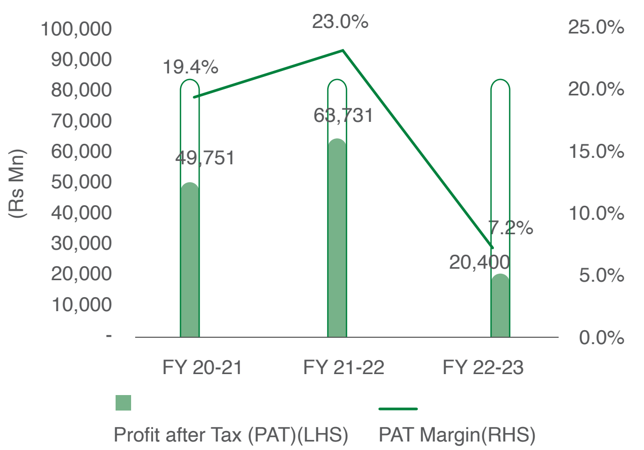
Revenue




EBITDA and EBITDA Margin




Profit after Tax (PAT) and PAT Margin




Note: FY 20-21 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 with Appendix C of Ind AS 103.

| Parameters | Unit | Full Year Ended Mar'23 | Full Year Ended Mar'22 |
|---|---|---|---|
| Debtors Turnover | Times | 4.76 | 5.09 |
| Current Ratio | Times | 1.07 | 1.40 |
| Debt Equity Ratio | Times | 0.22 | 0.25 |
| Operating Profit Margin (%) | % | 34.4% | 53.9% |
| Net Profit Margin (%) | % | 7.2% | 23.0% |
| Interest Coverage Ratio[1] | Times | 6.72 | 9.98 |
| Inventory Turnover | NA | NA | NA |
| Average Sharing Factor | Times | 1.79 | 1.80 |
| Closing Sharing Factor | Times | 1.78 | 1.81 |
| Sharing Revenue per Tower p.m | Rs. | 76,379 | 80,467 |
| Sharing Revenue per Sharing Operator p.m | Rs. | 42,580 | 44,264 |
| Return on Shareholder's Equity Pre Tax | % | 12.8% | 44.3% |
| Return on Shareholder's Equity Post Tax | % | 9.4% | 33.5% |

1. 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 profitability ratios and the Interest Coverage Ratio declined by more than 25% during the year due to adoption of a stringent accounting practice by the Company for making provision for doubtful debt in respect of overdue recoverables from one of its major customers. The Company faced challenges in collection from the customer and decided to de-risk its balance sheet by making these provisions.

## 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:

### Financial health of operators:

The business growth mainly depends on the demand from operators. Financial health of the key customer continues to be a concern. The deterioration in the financial health of the operator due to increased competition, adverse regulatory regime, general economic conditions, policy changes etc. could lead to persistent payment defaults leading to subdued cash flows.

### Emerging risk due to loss of competitive advantage

There is a possibility of the company losing its competitive advantage as a result of -

a) Market share erosion

b) Tenancy churn

## Risk of sustainability of business in the long run

There may be risk of business sustainability if the Company does not focus on-

a) Diversification - New avenues of business

b) Adherence to the ESG requirements for the Company

c) Transitioning to alternative energy sources, such as renewable energy, which may require substantial investments in new infrastructure and equipment in case Government restriction is imposed on the usage of diesel which may pose significant challenge to the business

## Cyber and Data Security

The Company has reached a level where processes are enabled and there is continuous upgrade of IT processes. The data security is considered critical and accordingly addressed through focus on sensitivity of data and financial impact of data leakage. Cultural change is being driven from the top with a focus on new/ enhanced cyber-security and information security risks to ensure the interest is protected from sudden cyber-attacks or breach of confidentiality which can impact the business adversely.

## Natural Disasters Damaging Telecom Networks:

The Company's telecom infrastructure 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 failures 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.

## General Economic Conditions in India:

A significant change in the government policies, issues related to tax and regulatory changes, impact of litigations or similar new taxes or levies could lead to significant financial exposure, loss of reputation or disruption of business operations.

## 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.

The Company does not foresee any risk in near future and keeps assessing all the new technology advancements in the sector for better understanding and preparedness. Also, with respect to the product portfolio and price comparison, the Company is competitively placed given its leadership position.

## Inherent risk of the business

Inherent risk of working in the field as well as structural weakness of old/ existing towers could lead to employee/ public safety incidents and/ or adverse media coverage.

The company needs to be agile in responding to such situations in order to protect the business interest.


## 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 and procedures in the Company. 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.

We have our employees at the core of business who deliver and sustain the service delivery by living the core values of the organization Excellence, Customer, Integrity, Teamwork and Environment (ExCITE) and relentlessly work towards our vision to Strive for Customer Delight through continuous Innovation. Many employees and organizations spent last year settling into their new ways of working after the initial, prolonged disruption of the pandemic subsided. This adjustment period coincided with an uncertain economy, continued resignations and "quiet quitting" making headlines amid declining employee engagement after a decade of growth.

The Gallup Exceptional Workplace Award (2023) awarded to Indus Towers is a testament to the fact that despite these challenges, we as an organization stood strong with our values and built a culture that thrives in the new work environment. 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. The fact that we have received this award for the 10th consecutive year establishes the fact that to be among the most engaged workplaces across the world, we must continue to put people first and continue to make employee engagement a cultural priority in our business strategy.

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 3,249 employees spread across our 22 circles has become possible through our constant communication. Our leadership has always been the first one to communicate with all employees and focus on their well-being is their priority. It regularly connects with their Team Managers to guide them on how to efficiently manage teams operating in critical and ambiguous times. Throughout the year, the leadership stood by their people in times of crisis valuing their relentless efforts and providing all the support that was needed.

The year gone by was transformational yet extremely demanding for our workforce at Indus. While on one side rigor on 5G roll out was one of the biggest ask from our customers, there has been a war of talent in the market for this niche skill. To address the situation in time, we ensured that we proactively start upskilling our current workforce. We invested in our talent through various training interventions and awareness sessions delivered by the Leaders and Subject Matter Experts to become 5G ready and ensured that we deliver on the expectations of our esteemed customers. At Indus, we constantly strive to build and sustain a culture of high performance and ensure 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:

- Attracting the right talent
- Retaining the better
- 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.

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 take advantage of technological shifts 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. While during the pandemic we capitalized on virtual and online learning, this year we also brought back many classroom training interventions as well. Keeping the development opportunities as relevant and engaging, this was a year of many new launches for Indus Towers when it came to future ready capability building for our employees. We reviewed our existing courses and made improvements as per the changing needs, future skills and training needs identified. **"License to Lead Program"** was launched to prepare individual contributors to lead effectively in their first ever role as a People Manager. Launch of **'5G Technology'** training module helped our employees gain knowledge about basics of 5G, its importance, technology changes, applications, etc. **'Business of Telecom'** training module was launched to enable employees gain an insight into **Indian telecom industry, its evolution journey, telecom markets, telecom infrastructure** and more.

The STEP-UP program which is part of Campus to Corporate Training plan designed for Management and Graduate Engineer Trainees aims at training and guiding the campus hires to learn to adjust and assimilate in the corporate culture. 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 and well-being forms the core of it. Our aim is to make our people proud of the work they do at Indus. We want them not only to excel, but also to realize their contribution to the organization and provide them with opportunities to learn and grow.

Some of the key initiatives undertaken during the year included:

- Volunteering programs under Personal Social Responsibility (PSR) were organized involving more than 800 volunteers impacting over 3,000 beneficiaries. 37 employees volunteered for 5 to 6 days with our partner NGOs and contributed their time and knowledge towards the community. Joy of Giving week was celebrated across all circles and corporate office and contribution to the society was made through initiatives such as 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 continued to provide medical consultation and support to the employees.
- Social and emotional wellbeing formed an essential part of our wellbeing programs. Regular field connect with employees through virtual/hybrid engagement initiatives helped to keep the connect stronger. Employee Appreciation Week was celebrated through which our employees reinforced the positive energy by recognizing colleagues who truly make an impact on their everyday work life. More than 15,000+ appreciations happened on the digital platform apart from physical recognitions. Rewards & Recognition through our digital platform ‘i-Appreciate’ continued to be a way for rewarding employees on the go. “Values Celebration” was celebrated for 3 weeks and each circle drove initiatives around the 5 values for these 21 days. It was a great occasion for our employees to remember our company values and how we live by them. It provided an opportunity to showcase great examples of how they exemplify these values in their day-to-day work. It also focuses on inclusion, which we think is crucial at Indus.

Diversity and Inclusion (D&I) 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. Indus Towers being an engineering and hardcore technical organization, availability of diverse talent is limited. However, share of women in our total employee population has inched up from 5.8% in 2021-22 to 6.3% in 2022-23 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 added a mandatory training on Prevention of Sexual Harassment (POSH) 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. Year 2022 marked the launch of Gender Sensitization Workshops. This is an organization wide effort to build an inclusive workplace for our employees and create awareness on the ground to address gender sensitive issues.

# Report on Corporate Governance

**Good corporate governance, it is about being proper and prosper.**

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 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 CEO and supported by the Circle Leadership Team, 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, 2023, the Board comprised 14 members with a Non-Executive Independent Chairman, a Managing Director & Chief Executive Officer, besides 8 Non-Executive Non-Independent Directors and 4 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 (ESG) 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 of Directors***

5 Independent Directors
8 Non- Independent Directors
1 Managing Director & CEO

**Audit & Risk Management Committee***

4# Independent Directors
2 Non- Independent Directors

**HR, Nomination and Remuneration Committee***

4 Independent Directors
2 Non- Independent Directors

**Stakeholders' Relationship Committee***

2 Independent Directors
2 Non- Independent Directors

**Corporate Social Responsibility (CSR) Committee***

2 Independent Directors
2 Non- Independent Directors

**Environmental, Social and Governance (ESG) Committee***

1 Independent Directors
2 Non- Independent Directors
1 Managing Director & CEO

***Independent Chairperson for the Board and each Committee**
**# W.e.f. April 26, 2023 total 7 members with 5 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 | Area |
|---|---|
| **Strategic Planning and Leadership Skills**<br>• 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.<br>• 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 | **Financial and Risk Management**<br>• Wide-ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control.<br>• Identification of key risks to the Company and monitoring the effectiveness of the risk management framework and practices |
| **Governance**<br>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 | **Industry and sector experience or knowledge**<br>Knowledge and experience in telecom sector to provide strategic guidance to the management |
| **HR, Health, safety, environment and sustainability**<br>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 | **Technology and digital expertise**<br>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:

| Name of the Director | 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. Balesh Sharma* | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Mr. Bimal Dayal# | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Gopal Vittal | ✓ | | ✓ | | ✓ | ✓ |
| Mr. Harjeet Kohli | ✓ | ✓ | ✓ | | ✓ | |
| Mr. Pankaj Tewari## | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Mr. Prachur Sah$ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Mr. Rajan Bharti Mittal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Ramesh Abhishek$ | ✓ | ✓ | ✓ | ✓ | | |
| Mr. Randeep Singh Sekhon | ✓ | | ✓ | | ✓ | ✓ |
| Mr. Ravinder Takkar | ✓ | | ✓ | | ✓ | ✓ |
| Mr. Sharad Bhansali | ✓ | ✓ | ✓ | ✓ | | |
| Ms. Sonu Bhasin | ✓ | ✓ | ✓ | ✓ | | |
| Mr. Sunil Sood** | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Mr. Thomas Reisten | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

*Resigned from Board of the Company w.e.f. June 30, 2022

**Appointed on Board of the Company w.e.f. June 30, 2022

#Resigned from Board of the Company w.e.f. September 17, 2022

##Appointed on Board of the Company w.e.f. October 08, 2022

$Appointed on the Board of the Company w.e.f. January 03, 2023

### 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 the 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 criteria 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 the 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; and

- 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 the 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 2022-23, the Independent Directors met 5 (Five) times on May 05, 2022; July 27, 2022; October 27, 2022; January 24, 2023; and March 22, 2023.

**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 of 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/2022/familiarization-programme-2021-22.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 that the Director 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 respective meetings of Independent Directors, the Committees and the Board held on April 26, 2023. 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 the 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 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 Managerial 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 HR 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 2023-24 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, from time to time to discuss other significant matters.

The Audit & Risk Management Committee, Corporate Social Responsibility Committee, HR, Nomination and Remuneration Committee, Environmental, Social and Governance Committee (ESG) and Stakeholders' Relationship Committee meetings are generally 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 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 on 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.

The 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; and
- 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 2022-23, the Board met 9 times i.e., on May 05, 2022; July 27, 2022; August 02, 2022; September 26, 2022; October 08, 2022; October 27, 2022; December 22, 2022; January 24, 2023, and March 23, 2023. The Board approved 11 resolutions by circulation during Financial Year 2022-23 and the text of those approved resolutions were presented in the immediate 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[1] | Name of listed entity where person is director along with category of directorship[1] | Number of committee memberships and chairmanships[2] | | No. of Meetings held during his/ her tenure and attended | | Whether attended last AGM |
|---|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | Held | Attended | |
| **Board composition as on March 31, 2023** | | | | | | | | |
| Mr. N Kumar (DIN-00007848) | Chairman Independent Director | 10 | 1) Entertainment Network (India) Limited – Independent Director<br>2) Larsen and Toubro Limited – Independent Director<br>3) L&T Technology Services Limited – Independent Director<br>4) Mphasis Limited – Independent Director | 3 | 2 | 9 | 9 | Yes |
| Ms. Anita Kapur (DIN: 07902012) | Independent Director | 2 | Shriram Properties Limited-Independent Director | Nil | 2 | 9 | 9 | Yes |
| Mr. Gopal Vittal (DIN- 02291778) | Non-Executive Director | 3 | Bharti Airtel Limited- MD & CEO | Nil | 1 | 9 | 6 | No |
| Mr. Harjeet Kohli (DIN- 07575784) | Non-Executive Director | 10 | Nil | 1 | 1 | 9 | 8 | No |
| Mr. Pankaj Tewari (DIN-08006533)[#] | Non-Executive Director | 9 | Nil | 2 | 0 | 5 | 5 | NA |
| Mr. Prachur Sah (DIN- 07871676)[##] | Managing Director & CEO | Nil | Nil | Nil | Nil | 2 | 2 | NA |
| Mr. Rajan Bharti Mittal (DIN-00028016) | Non-Executive Director | 15 | Global Health Limited – Independent Director | 2 | 1 | 9 | 9 | No |
| Mr. Ramesh Abhishek (DIN- 07452293)[$] | Independent Director | 9 | 1) Ravindra Energy Limited- Independent Director<br>2) Cyient Limited-Independent Director<br>3) Aditya Birla Sunlife AMC Limited-Independent Director | 1 | 5 | 2 | 2 | N.A. |
| Mr. Randeep Singh Sekhon (DIN-08306391) | Non-Executive Director | 1 | Nil | Nil | Nil | 9 | 9 | No |
| Mr. Ravinder Takkar (DIN- 01719511) | Non-Executive Director | 2 | Vodafone Idea Limited-Non Executive Director & Chairman | Nil | 1 | 9 | 9 | No |

| Name of Director (DIN) | Category | Number of other directorships[1] | Name of listed entity where person is director along with category of directorship[1] | Number of committee memberships and chairmanships[2] | | 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 | 9 | 9 | Yes |
| Ms. Sonu Bhasin (DIN- 02872234) | Independent Director | 7 | 1) Whirlpool India Limited<br>2) Sutlej Textiles And industries Limited<br>3) Berger Paints India Limited<br>4) Multi Commodity Exchange India Ltd<br>5) KFin Technologies Limited | 1 | 5 | 9 | 9 | Yes |
| Mr. Sunil Sood (DIN- 03132202)[$$] | Non-Executive Director | 4 | Vodafone Idea Limited-Director | 0 | 1 | 8 | 8 | No |
| Mr. Thomas Reisten (DIN- 06900067) | Non-Executive Director | Nil | Nil | Nil | Nil | 9 | 4 | No |
| **Board members who resigned during the year:** | | | | | | | | |
| Mr. Balesh Sharma (DIN-07783637)* | Non-Executive Director | Nil | N.A. | N.A. | N.A. | 1 | 0 | N.A. |
| Mr. Bimal Dayal (DIN- 08927887)** | Managing Director & CEO | Nil | N.A. | N.A. | N.A. | 3 | 3 | Yes |

1. The Directorships held by Directors, as mentioned above, do not include the Directorships held in foreign companies / body corporates and Indus Towers Limited. Also, for the purpose of counting the total number of directorships in listed entities, those entities are considered whose equity shares are listed on a stock exchange.
2. 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. 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, 2023, none of the Directors of the Company hold shares in the Company.

[#] Mr. Pankaj Tewari was appointed as additional director in the capacity of Non-Executive Non-Independent Director of the Company w.e.f. October 08, 2022 and subsequently his appointment was approved by the shareholders on December 30, 2022.

[##] Mr. Prachur Sah was appointed as additional director in the capacity of MD & CEO of the Company w.e.f. January 03, 2023 and subsequently his appointment was approved by the shareholders on April 01, 2023.

[$] Mr. Ramesh Abhishek was appointed as the additional director in the capacity of Independent Director w.e.f. January 03, 2023and subsequently his appointment was approved by the shareholders on April 01, 2023.

[$$] Mr. Sunil Sood was appointed as additional director in the capacity of Non-Executive Non-Independent Director of the Company w.e.f. June 30, 2022 and subsequently his appointment was approved by the shareholders on August 23, 2023.

[*] Mr. Balesh Sharma ceased to be Director of the Company w.e.f. June 30, 2022

[**] Mr. Bimal Dayal ceased to be Managing Director & CEO of the Company w.e.f. September 17, 2022

**~90.99%**

**Average attendance at the Board meetings during FY 2022-23**

## Remuneration of Directors

In terms of the Listing Regulations and the 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 for 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/wp-content/themes/indus/pdf/SE/2020/Nomination-Policy.pdf.

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[1] | Variable Pay | Perquisites | Commission[2] | Total |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Mr. Bimal Dayal* | 29,900,683 | 18,402,009 | 11,110,505 | - | 59,413,197 |
| Mr. Prachur Sah** | 87,42,825 | | | - | 8,742,825 |
| **Non-Executive Independent Directors** | | | | | |
| Ms. Anita Kapur | - | - | - | 3,000,000 | 3,000,000 |
| Mr. N Kumar | - | - | - | 3,500,000 | 3,500,000 |
| Mr. Ramesh Abhishek*** | - | - | - | 625,000 | 625,000 |
| Ms. Sonu Bhasin | - | - | - | 2,750,000 | 2,750,000 |
| Mr. Sharad Bhansali | - | - | - | 2,750,000 | 2,750,000 |
| **Total** | **38,643,508** | **18,402,009** | **11,110,505** | **12,625,000** | **80,781,022** |

* Mr. Bimal Dayal resigned from the position of MD & CEO of the Company w.e.f. September 17, 2022. Total remuneration paid to Mr. Bimal Dayal excludes an amount of Rs. 20,698,950 towards his retirement benefits.

**Mr. Prachur Sah was appointed as additional director in the capacity of MD & CEO of the Company w.e.f. January 03, 2023 and subsequently his appointment was approved by the shareholders on April 1, 2023. Remuneration of Mr. Prachur Sah excludes joining bonus of Rs. 20,000,000.

*** Mr. Ramesh Abhishek was appointed as the additional director in the capacity of Independent Director w.e.f. January 03, 2023.

1. The salary and allowance include the Company's contribution to the Provident Fund.

2. Provision for profit-based commission for financial year 2022-23.

**Notes:**

- As per revised policy on Nomination, Remuneration and Board Diversity w.e.f. November 20, 2020, commission is paid to Independent Directors only.
- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, Mr. Prachur Sah was granted 94,535 performance linked stock options on January 24, 2023 under ESOP Scheme 2014 of the Company at an exercise price of Rs. 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 Mr. Prachur Sah is by virtue of his employment / contract of service with the Company read with approval of shareholders through resolution dated April 1, 2023 and therefore, his terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the said resolution and applicable policies at the relevant point in time. There are no other contracts with any other director.
- 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 2022-23, the Company did not pay any sitting fees to the Directors.

## 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 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, 2023, Audit & Risk Management Committee comprised 6 members, 4 being Independent Directors and 2 being Non-Executive Directors. Ms. Anita Kapur, Independent Director 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, the Internal Auditor and Internal Assurance Partners are 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 23, 2022.

**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;
  - (vii) Modified opinion(s) in the draft audit report;
  - (viii) Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances;
  - (ix) The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
- 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 the Financial Year 2022-23, the Audit & Risk Management Committee met 6 times i.e., on May 05, 2022; July 27, 2022; August 02, 2022; September 30, 2022; October 27, 2022; and January 24, 2023. The time gap between the two meetings was less than 120 days. All recommendations made by the Audit & Risk Management Committee were accepted by the Board. The Committee approved 5 matters through resolution by circulation during Financial Year 2022-23 and the same were presented in the next meeting for its noting.

The composition of the Committee as on March 31, 2023, and the attendance of members at the meetings held during Financial Year 2022-23 are given below:

| Name of members | Category | Number of meetings held during his/her tenure and attended | |
|---|---|---|---|
| | | Held | Attended |
| Ms. Anita Kapur-Chairperson | Independent Director | 6 | 6 |
| Mr. Harjeet Kohli | Non-Executive Director | 6 | 5 |
| Mr. N Kumar | Independent Director | 6 | 6 |
| Mr. Sharad Bhansali | Independent Director | 6 | 5 |
| Ms. Sonu Bhasin | Independent Director | 6 | 6 |
| Mr. Thomas Reisten | Non-Executive Director | 6 | 5 |

**~91.67%**

**Average attendance at the Audit and Risk Management Committee meetings during FY 22-23**

## 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 2022-23 of which it is a part-

(in ₹)

| | |
|---|---|
| Fees paid by Indus Towers Limited | 17,251,875/- |
| Fees paid by Smartx Services Limited | 850,325/- |
| **Total fees paid** | **18,102,200/-** |

## HR, Nomination and Remuneration Committee

As on March 31, 2023, the HR, Nomination and Remuneration Committee comprised 6 members who are Non-Executive Directors, of whom 4 members are Independent Directors. Mr. Sharad Bhansali, Independent Director is Chairman 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 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 23, 2022.

## 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; and
- 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 includes 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 2022-23, the HR, Nomination and Remuneration Committee met 10 times i.e. on May 05, 2022; May 31, 2022; June 29, 2022; July 27, 2022; September 16, 2022; September 26, 2022; October 08, 2022; October 27, 2022; December 22, 2022; and January 24, 2023. The Committee approved 7 matters through resolution by circulation during financial year 2022-23 and the same were presented in the next meeting for its noting.

The composition of the Committee as on March 31, 2023 and the attendance of members at the meetings held during financial year 2022-23 are given below:

| Name of members | Category | Number of meetings held during his/her tenure and attended | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Sharad Bhansali- Chairman | Independent Director | 👤👤👤👤👤👤👤👤👤👤 | ✓✓✓✓✓✓✓✓✓✓ |
| Ms. Anita Kapur | Independent Director | 👤👤👤👤👤👤👤👤👤👤 | ✓✓✓✓✓✓✓✓✓✓ |
| Mr. N Kumar | Independent Director | 👤👤👤👤👤👤👤👤👤👤 | ✓✓✓✓✓✓✓✓✓ |
| Mr. Rajan Bharti Mittal | Non-Executive Director | 👤👤👤👤👤👤👤👤👤👤 | ✓✓✓✓✓✓✓✓✓✓ |
| Mr. Ravinder Takkar | Non-Executive Director | 👤👤👤👤👤👤👤👤👤👤 | ✓✓✓✓✓✓✓✓✓✓ |
| Ms. Sonu Bhasin | Independent Director | 👤👤👤👤👤👤👤👤👤👤 | ✓✓✓✓✓✓✓✓✓ |

**~96.67%**

**Attendance at the HR, Nomination and Remuneration Committee meetings during FY 2022-23**

## Stakeholders' Relationship Committee

In compliance with the requirements of the Listing Regulations and provisions of Section 178 of the Act, the Company has a Stakeholders' Relationship Committee. As on March 31, 2023, 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, nonreceipt 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 the Financial Year 2022-23, the Stakeholders' Relationship Committee met 4 times i.e. on May 05, 2022; July 27, 2022; October 27, 2022 and January 24, 2023.

The composition of the Committee as on March 31, 2023 and the attendance of members at the meetings held during Financial Year 2022-23, are given below:

| Name of members | Category | Number 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 | 👤👤👤👤 | ✓✓✓✓ |

| Name of members | Category | Number of meetings held during his/her tenure and attended | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Sharad Bhansali | Independent Director | 👤👤👤👤 | ✓✓✓✓ |
| Mr. Sunil Sood** | Non-Executive Director | 👤👤👤 | ✓✓✓ |

*Ceased to be member w.e.f. June 30, 2022

** Appointed as member w.e.f. June 30, 2022

**~93.75%**

**Average attendance at the Stakeholders' Relationship Committee meetings during FY 2022-23**

### 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 the Financial Year 2022-23, 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 2022-23 are as follows:

| Type of complaint | Received | Redressed | Pending as on March 31, 2023 |
|---|---|---|---|
| Non-receipt of securities | 0 | 0 | Nil |
| Non-receipt of Annual Report | 0 | 0 | Nil |
| Non-receipt of dividend | 2 | 2 | Nil |
| Miscellaneous | 0 | 0 | Nil |
| **Total** | **2** | **2** | **Nil** |

To redress investor grievances, the Company has a dedicated e-mail id, compliance.officer@industowers.com to which investors may send their grievances.

## Environmental, Social and Governance (ESG) Committee

As on March 31, 2023, the Environmental, Social and Governance (ESG) Committee comprised 4 members, with an Independent Chairperson, 1 Executive Director and 2 Non-Executive Directors.

Ms. Sonu Bhasin is 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.

**Meeting, Attendance and Composition of the Environmental, Social and Governance Committee**

During the Financial Year 2022-23, the Environmental, Social and Governance Committee met 4 times i.e. on April 28, 2022; July 27, 2022; October 27, 2022 and January 23, 2023.

The composition of the Committee as on March 31, 2023 and the attendance of members at the meetings held during Financial Year 2022-23, are given below:

| Name of members | Category | Number of meetings held during his/her tenure and attended | |
|---|---|---|---|
| | | Held | Attended |
| Ms. Sonu Bhasin- Chairperson | Independent Director | 👤👤👤👤 | ✓✓✓✓ |
| Mr. Randeep Singh Sekhon | Non-Executive Director | 👤👤👤👤 | ✓✓✓ |
| Mr. Thomas Reisten | Non-Executive Director | 👤👤👤👤 | ✓✓✓ |
| Mr. Bimal Dayal* | MD & CEO | 👤👤 | ✓✓ |
| Mr. Prachur Sah** | MD & CEO | - | - |

*Ceased to be member w.e.f. September 17, 2022

** Appointed as member w.e.f. January 23, 2023

**~85.71%**

**Average attendance at the Environmental, Social and Governance Committee meetings during FY 22-23**

## 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, 2023, the Committee comprised 4 members, out 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: a) Business Responsibility Report (BRR) and Sustainability Report; and b) 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/uploads/2022/05/CSR-Policy.pdf.

## Meeting, Attendance and Composition of the Corporate Social Responsibility (CSR) Committee

During the financial year 2022-23, the CSR Committee met 4 times i.e. on May 05, 2022; July 27, 2022; October 27, 2022 and January 24, 2023. The Committee approved 1 matter through resolution by circulation during financial year 2022-23 and the text of the resolution approved was presented in the next meeting for noting.

The composition of the Committee as on March 31, 2023 and the attendance of the members at the meetings held during financial year 2022-23, are given below:

| Name of members | Category | Number 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 | 👤👤👤👤 | ✓✓✓✓ |

**~93.75%**

**Average attendance at the Corporate Social Responsibility Committee meetings during FY 2022-23**

## CSR Committee Report for the year ended March 31, 2023

The CSR report for the year ended March 31, 2023 is annexed as **Annexure C** to the Board's Report.

## Committee of Directors for fund raising

During the year, the Company constituted a Committee of Directors for fund raising. The Committee comprised 3 members with an Independent Chairperson and 2 Non- Executive Directors.

Ms. Sonu Bhasin was appointed as the Chairperson of the Committee. The Company Secretary of the Company acts as a secretary to the Committee.

## Powers of the Committee of Directors for fund raising, inter-alia, includes:

- decide the number of tranches / series for issuance of non-convertible debentures;
- identify the persons to whom the offer should be made and to make offer to them;
- finalize the terms of issue(s) including the issue price, issue size, and subsequently to alter, vary or modify the same in its absolute discretion;
- determine the dates of opening and closing of the issue and the period for which the issue should be kept open;
- make allotment of debentures against the offer received in response to the invitation sent and to authorize the issue of the debenture scrips;
- finalize and execute or authorize the execution of all deeds, instruments, documents and writings for the purpose of implementing the proposal;
- apply for the dematerialization of debentures;
- list the debentures on any stock exchange in India;
- file or authorize the filing of the requisite forms and documents with the appropriate authorities/institutions including stock exchanges and depositories;
- make relevant declaration(s), as per applicable law, on behalf of the Board with regard to the issuance of NCDs;
- represent the Company before any regulatory and / or statutory authorities and departments including the depositories and stock exchanges;
- appoint consultants, advisors and other intermediaries deemed necessary for implementing the proposal.
- sub-delegate to any officer or any other identified person, at its absolute discretion, all or any of the powers under this resolution;
- affix the common seal of the company, as necessary and required, for execution of deeds, documents, writings, etc.;
- to issue any fresh resolution on all or any of the matter referred above or incidental thereto do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper in furtherance of the above.

## Meeting, Attendance and Composition of the Committee of Directors for fund raising

During the Financial Year 2022-23, the Committee of Directors for fund raising met 2 times i.e., on November 25, 2022, and December 07, 2022.

The composition of the Committee as on March 31, 2023 and the attendance of members at the meetings held during Financial Year 2022-23, are given below:

| Name of members | Category | Number of meetings held during his/her tenure and attended | |
|---|---|---|---|
| | | Held | Attended |
| Ms. Sonu Bhasin- Chairperson | Independent Director | | ✓✓ |
| Mr. Harjeet Singh | Non-Executive Director | | ✓✓ |
| Mr. Ravinder Takkar | Non-Executive Director | | ✓✓ |

**~100%**

**Average attendance at the Committee of directors for fund raising meeting during FY 2022-23**

## General Body Meetings The details of last three Annual General Meetings are as follows:

The details of last three Annual General meetings are as follows:

| Year | Time, Day, Date & Location | Summary of Special Resolutions |
|---|---|---|
| 2021-2022 | 3:30 P.M. IST<br>August 23, 2022 (Tuesday)<br>Through Video Conferencing | To re-appoint Ms. Anita Kapur (DIN: 07902012) as an Independent Director of the Company. |
| 2020-2021 | 3:30 P.M. IST<br>August 3, 2021 (Tuesday)<br>Through Video Conferencing | No Special Resolution was passed. |
| 2019-2020 | 3:30 P.M. IST<br>August 3, 2020 (Monday)<br>Through Video Conferencing | Re-appointment of Mr. Rajinder Pal Singh as an Independent Director of the Company. |

## Postal Ballot / E-Voting

The Company passed 4 resolutions through postal ballot during the Financial Year 2022-2023:

| Year | Date | Summary of Resolutions |
|---|---|---|
| 2022-2023 | December 30, 2022 | Appointment of Mr. Pankaj Tewari (DIN: 08006533) as a Director, liable to retire by rotation (Ordinary Resolution) |
| 2022-2023 | April 01, 2023* | Appointment of Mr. Prachur Sah (DIN: 07871676) as a Director, liable to retire by rotation (Ordinary Resolution) |
| 2022-2023 | April 01, 2023* | Appointment of Mr. Prachur Sah (DIN: 07871676) as Managing Director & Chief Executive Officer (CEO) of the Company (Ordinary Resolution) |
| 2022-2023 | April 01, 2023* | Appointment of Mr. Ramesh Abhishek (DIN: 07452293) as an Independent Director of the Company (Special Resolution) |

**The Notice of Postal Ballot/ E -voting dated February 28, 2023 was sent on March 02, 2023 to the members of the Company, seeking their approval for the above mentioned resolutions. The e-voting period commenced on Friday i.e. March 03, 2023, at 9.00 a.m. (IST) and ended on Saturday i.e. April 01, 2023, at 5.00 p.m. (IST).*

## Person conducting the Postal Ballot / E-voting for Postal Ballot dated December 30, 2022 & April 01, 2023

The Company Secretary was appointed as person responsible for postal ballot/ e-voting process. Mr. Harish Chawla, (Membership No. F9002) Partner of M/s CL & Associates, Company Secretaries, New Delhi was appointed as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner. Mr. Harish Chawla conducted the postal ballot/ e-voting process and submitted his reports to the Company.

## Procedure followed for Postal Ballot/ E-voting for Postal Ballot dated December 30, 2022 & April 01, 2023

i. In Compliance with the provisions of Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ("MCA") for holding general meetings/ conducting postal ballot process through e-voting vide General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 03/2022 dated May 05, 2022 and 11/2022 dated December 28, 2022 ("MCA Circulars"), the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of KFin Technologies Limited, the Company's Registrar and Transfer Agent (KFIN) for the purpose of providing e-voting facility.

ii. In accordance with the MCA Circulars, the Notices of Postal Ballot/ E-Voting along with the instructions regarding e-voting were sent only by e-mail to all those Shareholders, whose e-mail addresses were registered with KFin, or with the Depositories/ Depository Participants and whose names appear in the Register of Shareholders/list of Beneficial Owners as on the Cut-off Date(s) i.e. November 25, 2022 for the Postal Ballot issued on November 28, 2022 and February 24, 2023 for the Postal Ballot issued on March 02, 2023.

The Company also published notice(s) in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

iii. Members were requested to follow the instructions for e-voting and could vote from Thursday, December 1, 2022 at 9.00 A.M. (IST) and end on Friday, December 30, 2022 at 5.00 P.M. (IST) for Notice of Postal Ballot/ E-voting issued on November 28, 2022 and from Friday, March 3, 2023 at 9.00 A.M. (IST) and end on Saturday, April 01, 2023 at 5.00 P.M. (IST) for Notice of Postal Ballot/ E-voting issued on March 02, 2023.

iv. After due scrutiny of e-voting received up to the close of working hours as mentioned above, scrutinizers had submitted his final report(s) on December 31, 2022 and April 03, 2023 for the Postal Ballot dated December 30, 2022 and April 01, 2023, respectively.

v. The result of the postal ballot/ e-voting was declared on December 31, 2022 and April 03, 2023 for the Postal Ballot dated December 30, 2022 and April 01, 2023, respectively. In terms of provisions of Secretarial Standard -2 as Notified by Ministry of Corporate Affairs, the last day for receipt of postal ballot form/e-voting have been taken as the date of passing the resolution.

vi. The result(s) of postal ballot/ e-voting are placed at the website of the Company at www.industowers.com besides being communicated to Stock Exchanges. The details of voting pattern can also be accessed at the website of the Company and the stock exchanges.

## Details of Voting Pattern for Postal Ballot dated December 30, 2022 & April 01, 2023

Based on the Scrutinizers' Report, the details of voting pattern in respect of the resolution passed are as under:

| Details of Resolution | Number of valid Votes | Votes cast in favour of the resolution (no & % age) | Votes cast against the resolution (no & % age) |
|---|---|---|---|
| Appointment of Mr. Pankaj Tewari (DIN: 08006533) as a Director, liable to retire by rotation (Ordinary Resolution) | 2,590,550,987 | 2,268,483,212 (87.5676%) | 322,067,775 (12.4324%) |
| Appointment of Mr. Prachur Sah (DIN: 07871676) as a Director, liable to retire by rotation (Ordinary Resolution) | 2,604,274,539 | 2,567,444,823 (98.5858%) | 36,829,716 (1.4142%) |
| Appointment of Mr. Prachur Sah (DIN: 07871676) as Managing Director & Chief Executive Officer (CEO) of the Company (Ordinary Resolution) | 2, 604,274,559 | 2,537,389,052 (97.4317%) | 66,885,507 (2.5683%) |
| Appointment of Mr. Ramesh Abhishek (DIN: 07452293) as an Independent Director of the Company (Special Resolution) | 2,604,274,344 | 2,601,267,045 (99.8845%) | 3,007,299 (0.1155%) |

## 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 transactions 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 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 a 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 exchanges and the same is also placed on the website of the Company, in compliance with the applicable provisions of the Listing Regulations.

In terms of the Listing Regulations, the 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, Bharti Hexacom Limited and Vodafone Idea Limited are material related party transactions for which approval of shareholders have already 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-PartyTransactions.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 the 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 2022-23:

1) Number of complaints filed during the financial year - 2

2) Number of complaints disposed-off during the financial year - 2

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-compliance 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 except an adjudication order from Securities Exchange Board of India ("SEBI") dated June 27, 2022 for violation of erstwhile Regulation 3(12) of SEBI (Share Based Employees Benefits) Regulations, 2014 w.r.t 5,32,862 equity shares held by ESOP Trust of the Company imposing penalty of Rupees One Lakh and the Company had paid the said amount to SEBI.

The Company denies violation of Regulation 3(12) of the erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014, however, has paid the prescribed penalty on the grounds of interpretation difference.

## Credit Rating

As on March 31, 2023, the Company was rated by two domestic rating agencies.

The Company was assigned ICRA AA+ (Stable) issuer rating by ICRA Ltd. Also, Commercial Paper ratings 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 victimization. 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 have 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 https://www.industowers.com/wp-content/themes/indus/pdf/2023/code-of-conduct.pdf. 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, 2023, 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 material subsidiary in terms of the provisions of Listing Regulations. The Board of Directors has 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/SE/2020/Material-subsidiaries.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, 2023, 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 LLP, 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/result/.

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) |
|---|---|---|---|---|
| 2015-16 | Final | 3.00 | 5,548 | 0.12 |
| 2016-17 | Interim | 12.00 | 22,195 | 0.52 |
| 2016-17 | Final | 4.00 | 7,398 | 0.13 |
| 2017-18 | Final | 14.00 | 25,894 | 0.86 |
| 2018-19 | 1st Interim | 7.50 | 13,872 | 0.32 |
| 2018-19 | 2nd Interim | 7.50 | 13,872 | 0.33 |
| 2019-20 | 1st Interim | 3.65 | 6,751 | 0.18 |
| 2019-20 | 2nd Interim | 2.75 | 5,087 | 0.17 |
| 2019-20 | 3rd Interim | 4.10 | 7,583 | 0.25 |
| 2020-21 | 1st Interim | 2.30 | 4,254 | 0.25 |
| 2020-21 | 2nd Interim | 17.82 | 48,023 | 1.03 |
| 2021-22 | Interim | 11.00 | 29,644 | 1.06 |

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 2022-23, the Company, pursuant to the provisions of Section 124 of the Companies Act, 2013, transferred a dividend amount of ₹ 136,721 (Rupees One Lakh Thirty Six Thousand Seven Hundred and Twenty One Only) 'Unpaid Equity Dividend 2015', which remained unpaid/ unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government. Further, 185 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 the date of closure of previous Financial Year i.e. March 31, 2022 on the Company's website 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 -Unclaimed Suspense Account' as on March 31, 2023 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, 2022 | 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, 2023 | 1 | 50 |

The voting rights on the shares in the suspense account as on March 31, 2023 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 at https://www.industowers.com/investor/result/.

**News releases, presentations:** Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website i.e., 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 fillings 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 at 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

**17th Annual General Meeting**
Date: August 31, 2023
Day: Thursday
Time: 3:30 pm IST
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 Company didn't declare any dividend for FY 2022-23.

## Equity Shares Listing, Non-Convertible Debentures (NCD) 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 |
|---|---|---|
| **Equity Shares Listing** | | |
| National Stock Exchange of India Limited<br>Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra(C), Mumbai – 400001 | INDUSTOWER | Paid |
| The BSE Limited<br>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 | 534816 | Paid |
| **NCD Listing** | | |
| National Stock Exchange of India Limited<br>Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra(C), Mumbai – 400001 | INDUSTOWER | Paid |

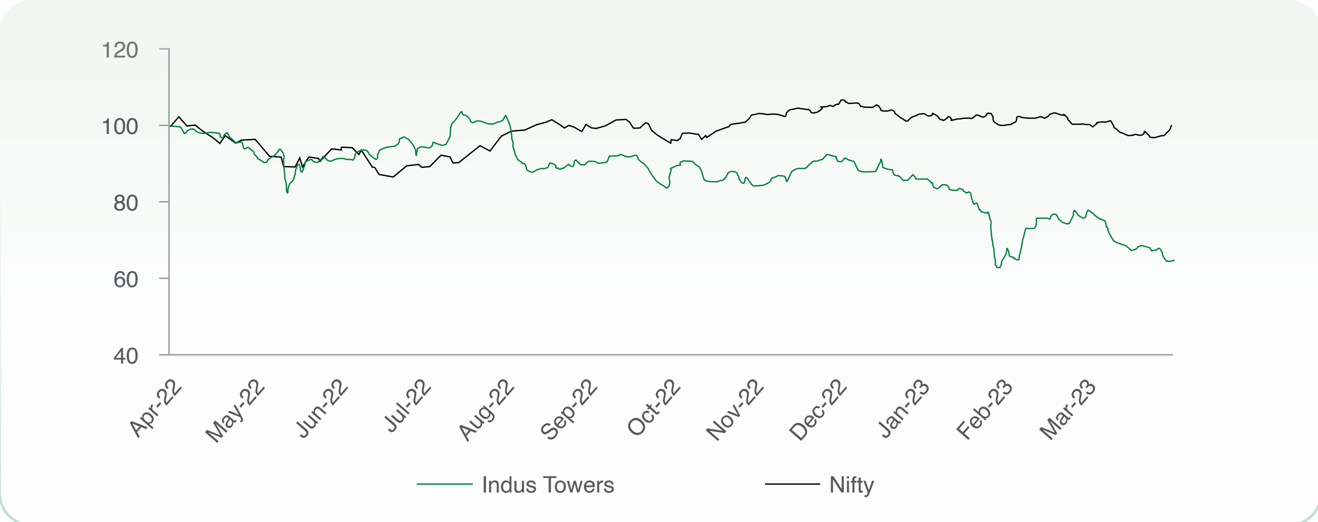
## Stock Market Data

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-22 | 223.9 | 205.9 | 223.90 | 205.80 |
| May-22 | 211.4 | 181.2 | 211.35 | 181.15 |
| Jun-22 | 220.55 | 195.1 | 220.60 | 195.20 |
| Jul-22 | 230.9 | 204.5 | 230.75 | 204.45 |
| Aug-22 | 229.75 | 192.35 | 230.00 | 192.30 |
| Sep-22 | 208 | 182.5 | 207.90 | 182.55 |
| Oct-22 | 203.6 | 184.75 | 203.50 | 184.75 |
| Nov-22 | 205.7 | 184 | 205.90 | 184.00 |
| Dec-22 | 204.4 | 187.25 | 204.20 | 186.60 |
| Jan-23 | 191.5 | 135.15 | 191.65 | 135.20 |
| Feb-23 | 175.75 | 138.45 | 175.90 | 138.50 |
| Mar-23 | 172.4 | 141.05 | 172.35 | 141.05 |

**Share Price performance in comparison to broad based indices- BSE Sensex and NSE Nifty is as under**

Source: www.nseindia.com and www.bseindia.com




Indus Share Price and Sensex and Nifty 50 Index Values on April 01, 2022 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 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, 2023.

| S. no | Category (Shares) | No. of Holders | % To Holders | Amount of share Capital | % of shares |
|---|---|---|---|---|---|
| 1. | 1-5000 | 257,469 | 99.41 | 33,224,175 | 1.23 |
| 2. | 5001-10000 | 593 | 0.23 | 4,213,913 | 0.16 |
| 3. | 10001-20000 | 248 | 0.10 | 3,537,028 | 0.13 |
| 4. | 20001-30000 | 118 | 0.05 | 2,952,489 | 0.11 |
| 5. | 30001-40000 | 57 | 0.02 | 1,972,112 | 0.07 |
| 6. | 40001-50000 | 45 | 0.02 | 2,009,028 | 0.07 |
| 7. | 50001-100000 | 126 | 0.05 | 8,926,534 | 0.33 |
| 8. | 100001 and above | 341 | 0.13 | 2,638,101,671 | 97.89 |
| | **TOTAL:** | **258,997** | **100.00** | **2,694,936,950** | **100.00** |

By Category of holders as on March 31, 2023

| S. no | Category | Number of shares | % |
|---|---|---|---|
| **I.** | **Promoter & Promoter Group** | | |
| | (i) Indian | 1,374,744,422 | 51.01 |
| | (ii) Foreign | 484,680,977 | 17.98 |
| | **Total- Promoter & Promoter Group** | **1,859,425,399** | **69.0** |
| **II.** | **Public Shareholding Institutions** | | |
| | (i) Mutual Funds/ UTI | 8,929,017 | 0.33 |
| | (ii) Insurance Companies | 190,000 | 0.01 |
| | (iii) Foreign Institutional Investors | 717,628,100 | 26.63 |
| | Total- Institutions | 726,747,117 | 26.97 |
| | **Non- Institutions** | | |
| | (i) IEPF | 1,266 | 0 |
| | (ii) Resident Individuals holding nominal share capital up to ₹ 2 Lakhs | 37,790,461 | 1.4 |
| | (iii) Resident Individuals holding nominal share capital in excess of ₹ 2 Lakhs | 6,918,757 | 0.26 |
| | (iv) Non Resident Indians | 1,464,925 | 0.05 |
| | (v) Overseas Body Corporate | 2,500 | 0 |
| | (vi) Bodies Corporate | 2,207,727 | 0.08 |
| | (vii) Clearing Members | 2,596,359 | 0.1 |
| | (viii) Qualified Institutional Buyer | 57,052,429 | 2.12 |
| | (ix) Trust | 53,688 | 0 |
| | **Total - Non- Institutions** | 108,088,112 | 4.01 |
| | **Total- Public Shareholding** | **834,835,229** | **30.98** |
| **III.** | **Non- Promoter- Non Public- Shares held by Indus Towers Employees Welfare Trust** | **676,322** | **0.03** |
| | **Total** | **2,694,936,950** | **100.0** |

## 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, 2023 2,694,936,069 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 has no plant locations. The Company's Circle Office addresses are provided at the end of this Integrated Annual Report.

## Communication Details

| | Contact | Email | Address |
|---|---|---|---|
| For Corporate Governance and Other Secretarial related matters | **Ms. Samridhi Rodhe**<br>Company Secretary & Compliance Officer | compliance.officer@industowers.com | **Indus Towers Limited**<br>Registered & Corporate Office: Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana<br>Tel: +91 -124-4296766<br>Fax: +91 -124-4289333<br>Website: www.industowers.com |
| For queries relating to Financial Statements | **Mr. Dheeraj Agarwal**<br>Chief Investor Relation Officer | IR@industowers.com | |
| For Corporate Communication related matters | **Ms. Vivika Dass**<br>National Head Marketing Communication | indus.communication@industowers.com | |
| Registrar & Transfer Agent | **KFin Technologies Limited** | einward.ris@kfintech.com | Karvy Selenium, Tower B, Plot number 31 & 32, Gachibowli, Financial District, Hyderabad – 500032, India Ph: +91 040 6716 1736 Fax No.: 040 23420814<br>Email: einward.ris@kfintech.com<br>Website: www.kfintech.com<br>Toll Free No. 1800-345-4001 |
| Debenture Trustee | **Mr. Subhash Kumar Jha**<br>Deputy General Manager | debenturetrustee@axistrustee.in | **Axis Trustee Services Limited**<br>Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025<br>Email: Complaints@axistrustee.in<br>Phone: 022-2425 5215/5216 |

# 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, 2023, confirmation that they are in compliance with the Company's Code of Conduct.

For **Indus Towers Limited**

**Prachur Sah**
Managing Director & CEO

Date: April 26, 2023
Place: Gurugram

# Annexure B

## CERTIFICATION

We, Prachur Sah, Managing Director & CEO and Vikas Poddar, Chief Financial Officer of Indus Towers 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, 2023 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: April 26, 2023
Place: Gurugram

**Prachur Sah**
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**
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 and having CIN: L64201HR2006PLC073821 and having Registered office situated 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 and 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) as considered necessary and explanations furnished to us by the Company & its officers and based on declarations received from respective Directors, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023, 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 the 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. Randeep Singh Sekhon | 08306391 | 19/11/2020 |
| 10. | Mr. Sharad Bhansali | 08964527 | 19/11/2020 |
| 11. | Mr. Sunil Sood | 03132202 | 30/06/2022 |
| 12. | Mr. Pankaj Tewari | 08006533 | 08/10/2022 |
| 13. | Mr. Ramesh Abhishek | 07452293 | 03/01/2023 |
| 14. | Mr. Prachur Sah | 07871676 | 03/01/2023 |

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. F1644
Certificate of Practice No. 715
UDIN: F001644E000192296

Date: April 26, 2023
Place: Delhi

# Financial Statements

# 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 subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 as notified by the Ministry of Corporate Affairs ("MCA") under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 at one of the largest customers of the Company and its consequential impact on Company's business operations**

We draw attention to note 47 of the consolidated financial statements, which describes the impact on business operations, receivables, property, plant and equipment and financial position of the Company 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 the said customer needs to settle its liabilities as they fall due.

Our opinion is not modified in respect of the 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.

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition – accuracy of revenue recorded**<br>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.<br><br>Further, the Group has multiple reconciliation matters with their customers and the Group uses significant estimates and judgements to assess the adequacy of any uncertainty involved with respect to potential reversal of revenue in future.<br><br>(Refer to notes 4.1(j) and 24 to the consolidated financial statements) | **Principal audit procedures performed:**<br>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over:<br>• Capturing and recording of revenue transactions;<br>• Authorisation of rate changes and input of the rate changes into the billing systems;<br>• Preparation and validation of the billing schedule;<br>• Calculations of amounts billed to operators, in line with underlying supporting documents; and<br>• Assessment of adequacy of revenue reversals<br>.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.<br><br>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.<br><br>We challenged management estimates around appropriateness of revenue recognition and reversals of revenue in future on account of uncertainty by examining empirical data and historical trend of negotiation patterns with the customers. |
| 2 | **Recognition of revenue and recoverability of receivables from one of largest customers of the Company ("the Customer")**<br>The Customer accounts for substantial part of revenue from operations for the year ended March 31, 2023 and constitutes a significant part of outstanding trade receivables and unbilled revenue as at March 31, 2023.<br>The Customer in its published unaudited financial results for the quarter and nine months ended December 31, 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 that the said customer needs to settle its liabilities as they fall due.<br>The matter has been identified as key audit matter due to the significance of matter and involvement of significant judgements and estimation around appropriateness of revenue to be recognized by the Group for services rendered to the Customer and assessment relating to the adequacy of allowances while evaluating the recoverability of receivables.<br>(Refer to note 47 to the consolidated financial statements and emphasis of matter paragraph included above) | **Principal audit procedures performed:**<br>We tested the design and implementation and operating effectiveness for internal controls around:<br>• assessment of recognition of revenue (including unbilled revenue) from the Customer; and<br>• evaluation relating to the adequacy of allowances while assessing the recoverability of receivables from the Customer.<br><br>We challenged management judgements and estimation around the uncertainties involved in ultimate collectability of revenue (including unbilled revenue) from the customer and appropriateness of revenue recognised by the Group.<br><br>We challenged the adequacy of allowances while assessing the recoverability of receivables from the Customer considering the latest developments, public information on funding plan, financial results, public news related to the Customer and the various correspondences made with the Customer during the year.<br><br>We obtained the copy of payment plans agreed with the Customer and evaluated the collection patterns over revenue recognised to assess whether collections have been received as per the agreed plan. |

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 3 | **Contingent Liabilities and Provisions: Disputed tax matters**<br><br>Group is subjected to a number of significant income tax litigations and indirect tax litigations ("litigations") which are in appeal before various judicial forums.<br><br>The eventual outcome of these litigations is 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.<br><br>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.<br><br>(Refer to notes 4.1(q)(ii) and 36(b) to the consolidated financial statements) | **Principal audit procedures performed:**<br><br>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.<br><br>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 litigations.<br><br>We involved our internal direct and indirect tax specialists, 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.<br><br>We also assessed the adequacy and appropriateness of the disclosures made by the management in the notes to the consolidated financial statements. |

## 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 Business Responsibility and Sustainability Report, Management Discussion and Analysis, Board's Report including Annexures to the Board's Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports 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 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.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent'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/ loss, consolidated changes in equity and consolidated cash flows 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, as aforesaid.

In preparing the consolidated financial statements, the respective Management 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to the consolidated financial statements 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. 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 and such other entity 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 financial 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 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 Changes in Equity and the Consolidated Statement of Cash Flows 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 March 31, 2023, taken on record by the Board of Directors of the Parent and subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2023, 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 with reference to the consolidated financial statements 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 and subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements 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 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 Group has disclosed the impact of pending litigations on the consolidated financial position of the Group. Refer note 36(b) of the consolidated financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer note 44 of 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. Refer note 45 of the consolidated financial statements.

      iv. (a) The respective Managements of the Parent Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or 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 Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 48 of the consolidated financial statements.

(b) The respective Managements of the Parent and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent or the 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 such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 48 of the consolidated financial statements.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, 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 Parent and its subsidiary whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year. Refer note 13b of the consolidated financial statements relating to interim dividend for the previous year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023, to the Parent and its subsidiary, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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"/ "the Order") 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 Parent and subsidiary company included in the consolidated financial statements, we report that there are no qualifications or adverse remarks by us in the CARO report of the said company included in the consolidated financial statements, except for the following:

| **Name of the company** | **CIN** | **Nature of relationship** | **Clause number of CARO report with qualification** |
|---|---|---|---|
| Smartx Services Limited | U64202DL2015PLC285515 | Wholly owned subsidiary | Clause 3(xvii)[1] and 3(xix)[2] |

1 Clause pertains to cash losses incurred
2 Clause pertains to ability to pay liabilities

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Anup Kumar Sharma**
(Partner)
(Membership No. 063828)
(UDIN: 23063828BGXOWH1922)

Place: Gurugram
Date: April 26, 2023

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Report on the Internal Financial Controls with reference to the consolidated financial statements 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 financial statements of the Company as at and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the consolidated financial statements of Indus Towers Limited (formerly Bharti Infratel Limited) (hereinafter referred to as "Parent") and its subsidiary company, which is company 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 is company incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the consolidated financial statements based on the internal control with reference to the consolidated financial statements 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")(the "Guidance note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to the consolidated financial statements of the Parent and its subsidiary company, which is company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained for the parent and subsidiary company, which is company incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements of the Parent and its subsidiary company, which is company incorporated in India. The reporting requirements on the internal financial control with reference to the financial statements of one subsidiary, which is a trust (not a company under the Act) and is incorporated in India, is not applicable.

## Meaning of Internal Financial Controls with reference to the financial statements

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

## Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to the consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Anup Kumar Sharma**
(Partner)
(Membership No. 063828)
(UDIN: 23063828BGXOWH1922)

Place: Gurugram
Date: April 26, 2023

# Consolidated Balance Sheet

as at March 31, 2023

(Amounts in millions of Indian Rupees)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 (a) | 211,723 | 208,699 |
| Right of use assets | 5 (b) | 111,882 | 109,210 |
| Capital work-in-progress | 5 (a) | 3,546 | 1,787 |
| Intangible assets | 5 (a) | 231 | 352 |
| Financial assets | | | |
| Other financial assets | 7 | 11,752 | 11,012 |
| Income tax assets (net) | | 7,251 | 6,844 |
| Deferred tax assets (net) | 8 | 12,218 | - |
| Other non-current assets | 9 | 20,045 | 18,659 |
| | | **378,648** | **356,563** |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 6 | 2,756 | 16,521 |
| Trade receivables | 10 | 48,687 | 70,586 |
| Cash and cash equivalents | 11 | 224 | 9,802 |
| Other financial assets | 7 | 32,518 | 23,755 |
| Other current assets | 12 | 2,891 | 2,449 |
| | | **87,076** | **123,113** |
| **Total assets** | | **465,724** | **479,676** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 26,949 | 26,949 |
| Other equity | 14 | 184,146 | 194,556 |
| | | **211,095** | **221,505** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 24,340 | 23,739 |
| Lease liabilities | 16 | 124,206 | 120,877 |
| Other financial liabilities | 17 | 3,824 | 5,708 |
| Provisions | 18 | 18,738 | 17,198 |
| Deferred tax liabilities (net) | 8 | - | 918 |
| Other non-current liabilities | 19 | 1,893 | 1,462 |
| | | **173,001** | **169,902** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 20 | 22,786 | 31,129 |
| Lease liabilities | 16 | 20,517 | 21,515 |
| Trade payables | 21 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 494 | 522 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 20,725 | 20,771 |
| Other financial liabilities | 22 | 11,592 | 6,510 |
| Other current liabilities | 23 | 4,172 | 5,163 |
| Provisions | 18 | 676 | 535 |
| Current tax liabilities (net) | | 666 | 2,124 |
| | | **81,628** | **88,269** |
| **Total liabilities** | | **254,629** | **258,171** |
| **Total equity and liabilities** | | **465,724** | **479,676** |

The accompanying notes form an integral part of these Consolidate 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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

**Place**: Gurugram
**Date**: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

| Particulars | Note | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 24 | 283,818 | 277,172 |
| Other income | 25 | 3,613 | 3,525 |
| **Total income** | | **287,431** | **280,697** |
| **Expenses** | | | |
| Power and fuel | 26 | 105,908 | 102,658 |
| Employee benefit expenses | 27 | 7,741 | 7,722 |
| Repairs and maintenance | 28 | 13,506 | 13,467 |
| Other expenses | 29 | 58,993 | 3,896 |
| **Total expenses** | | **186,148** | **127,743** |
| **Profit before depreciation and amortisation, finance costs, finance income, charity and donation, exceptional item and tax** | | **101,283** | **152,954** |
| Depreciation and amortisation expenses | 30 | 54,410 | 54,222 |
| Less: adjusted with General Reserve in accordance with the Scheme of arrangement (Refer Note 42) | 30 | (1,171) | (970) |
| | | **53,239** | **53,252** |
| Finance costs | 31 | 16,704 | 16,033 |
| Finance income | 31 | (2,165) | (1,060) |
| Charity and donation | 43 | 984 | 422 |
| **Profit/ (Loss) before exceptional item and tax** | | **32,521** | **84,307** |
| Exceptional item (Refer Note 47(e)) | | 4,928 | - |
| **Profit/ (Loss) before tax** | | **27,593** | **84,307** |
| **Tax expense** | | **7,193** | **20,576** |
| Current tax | 8 | 20,327 | 20,373 |
| Deferred tax | 8 | (13,134) | 203 |
| **Profit/(Loss) for the year** | | **20,400** | **63,731** |
| **Other comprehensive income (OCI)** | | | |
| **Items that will not be re-classified to profit or loss** | | | |
| Remeasurements gains/(losses) of defined benefit plans (net of tax) | | (8) | 36 |
| **Other comprehensive income/(loss) for the year, net of tax** | | **(8)** | **36** |
| **Total comprehensive income/(loss) for the year, net of tax** | | **20,392** | **63,767** |
| **Earnings per equity share (Nominal value of share is Rs. 10 each )** | | | |
| Basic | 32 | 7.57 | 23.65 |
| Diluted | 32 | 7.57 | 23.65 |

The accompanying notes form an integral part of these Consolidate 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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

**Place**: Gurugram
**Date**: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(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) |
|---|---|---|
| **As at April 1, 2021** | **2,694,937** | **26,949** |
| Changes during the year | - | - |
| **As at March 31, 2022** | **2,694,937** | **26,949** |
| **As at April 1, 2022** | **2,694,937** | **26,949** |
| Changes during the year | - | - |
| **As at March 31, 2023** | **2,694,937** | **26,949** |

## 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 | Retained Earnings | | |
| **As at April 1, 2021** | **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 |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **63,731** | **36** | **63,767** |
| 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 period | - | - | 90 | - | - | - | - | - | - | 90 |
| Premium on exercise of ESOPs * | - | - | - | (12) | - | - | - | - | - | (12) |
| Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement (Refer Note 42) | - | - | - | (970) | - | - | - | - | - | (970) |
| **As at March 31, 2022** | **48,830** | **(216)** | **98** | **71,090** | **4,536** | **(48,901)** | **471** | **118,723** | **(75)** | **194,556** |

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(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 | | |
| **As at April 1, 2022** | **48,830** | **(216)** | **98** | **71,090** | **4,536** | **(48,901)** | **471** | **118,723** | **(75)** | **194,556** |
| Profit for the year | - | - | - | - | - | - | - | 20,400 | - | 20,400 |
| Other comprehensive income | - | | - | - | - | - | - | - | (8) | (8) |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **20,400** | **(8)** | **20,392** |
| Shares issued to employees on exercise of ESOP | - | 100 | - | - | - | - | - | - | - | 100 |
| Amount on account of purchase of treasury shares | - | (75) | - | - | - | - | - | - | - | (75) |
| Gross compensation for options exercised during the year | - | - | (58) | - | - | - | - | - | - | (58) |
| Amount transferred to stock options outstanding during the vesting period | - | - | 78 | - | - | - | - | - | - | 78 |
| Premium on exercise of ESOPs * | - | - | - | (38) | - | - | - | - | - | (38) |
| Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement (Refer Note 42) | - | - | - | (1,171) | - | - | - | - | - | (1,171) |
| Dividend on equity shares | - | - | - | - | - | - | - | (29,638) | - | (29,638) |
| **As at March 31, 2023** | **48,830** | **(191)** | **118** | **69,881** | **4,536** | **(48,901)** | **471** | **109,485** | **(83)** | **184,146** |

* 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 Consolidate financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm registration number: 117366W/W-100018

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Place**: Gurugram
**Date**: April 26, 2023

For and on behalf of the Board of Directors of **Indus Towers Limited**

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 27,593 | 84,307 |
| **Adjustments for** | | |
| Depreciation and amortization expenses | 53,239 | 53,252 |
| Finance income | (830) | (1,060) |
| Finance costs | 16,704 | 16,033 |
| Profit on sale of property, plant and equipment | (2,614) | (2,551) |
| Allowances for doubtful receivables and advances (net) | 53,077 | (1,170) |
| Exceptional item (Refer Note 47(e)) | 4,928 | - |
| Revenue equalisation | (6,165) | (3,436) |
| Others | (644) | (1,138) |
| **Operating profit before changes in assets and liabilities** | **145,288** | **144,237** |
| Decrease/(Increase) in other financial assets | (9,500) | 5,380 |
| Decrease/(Increase) in other assets | (494) | 2,531 |
| Decrease/(Increase) in trade receivables | (31,184) | (30,992) |
| Increase/(Decrease) in other financial liabilities | (2,208) | (110) |
| Increase/(Decrease) in provisions | 51 | 362 |
| Increase/(Decrease) in other liabilities | (287) | (557) |
| Increase/(Decrease) in trade payables | (426) | (10,510) |
| **Cash generated from operations** | **101,240** | **110,341** |
| Income tax paid (net of refunds) | (22,192) | (19,129) |
| **Net cash flow from/(used in) operating activities (A)** | **79,048** | **91,212** |
| **Cash flows from investing activities** | | |
| Purchase of Property, plant & equipment, intangible assets and capital work in progress (net) | (36,226) | (32,851) |
| Proceeds from sale of property, plant & equipment | 4,545 | 4,154 |
| Investment in mutual funds | (195,040) | (105,535) |
| Proceeds from sale of mutual funds | 208,864 | 111,926 |
| Interest received | 578 | 585 |
| Others | (21) | (16) |
| **Net cash flow from /(used in) investing activities (B)** | **(17,300)** | **(21,737)** |

# Consolidated Statement of Cash Flows

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | 129,315 | 162,422 |
| Repayment of borrowings | (136,984) | (189,144) |
| Sale/(purchase) of treasury shares | (75) | (154) |
| Dividend paid | (29,638) | - |
| Interest paid | (3,666) | (4,418) |
| Repayment of lease liabilities (including interest) | (30,278) | (28,522) |
| **Net cash flow from/(used in) financing activities (C)** | **(71,326)** | **(59,816)** |
| **Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)** | **(9,578)** | **9,659** |
| Cash and cash equivalents at the beginning of the year | 9,802 | 143 |
| **Cash and cash equivalents at the end of the year (refer note 11)** | **224** | **9,802** |

The accompanying notes form an integral part of these Consolidate 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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

**Place**: Gurugram
**Date**: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 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 is situated at 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' and controlled trust 'Indus Towers Employees Welfare Trust' (formerly Bharti Infratel Employees Welfare Trust) 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 year, Nettle Infrastructure Investments Limited merged with its holding company, Bharti Airtel Limited. Accordingly, as on March 31, 2023, Bharti Airtel Limited held 47.95% shares and Vodafone Group Plc. through its indirect wholly owned subsidiary companies held 21.05% shares in the Company.

## 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 the Companies (Indian Accounting Standards) Rules, 2015 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 are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division II of Schedule III (as amended) to the Act. Further, for the purpose of clarity, various items are aggregated in the Consolidated Balance Sheet ('Balance Sheet'), Consolidated Statement of Profit and Loss ('Statement of Profit and Loss'), Consolidated Statement of Changes in Equity ('Statement of Changes in Equity') and Consolidated Statement of Cash Flows ('Statement of Cash Flows'). Nonetheless, these items are disaggregated separately in the notes to the Financial Statements, where applicable or required. 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.

The consolidated financial statements are approved for issuance by the Company's Board of Directors on April 26, 2023.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

**c) Basis of Consolidation**

The Consolidated Financial statements comprise the Financial statements of the Company, its subsidiary and its directly Controlled Trust which are as follows:

| Entity | Country of Incorporation | Principal Service | Relationship | Shareholding as at March 31, 2023 | Shareholding as at March 31, 2022 |
|---|---|---|---|---|---|
| **Smartx Services Limited*** | India | Optical Fibre Service | Subsidiary | 100% | 100% |

Details of Controlled Trust

| Name of Trust | Country of Incorporation |
|---|---|
| Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees 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 the 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.

## 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 Company had received requisite regulatory approvals and the merger become effective on November 19, 2020 (i.e., the effective date of merger) on filing the certified copy of the NCLT order with the Registrar of Companies. 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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

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 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 merger of erstwhile Indus with the Company has been accounted as per 'Pooling of interest' method and accordingly, all the assets, liabilities and reserves of erstwhile Indus have been recorded at their carrying amounts and the identity of the reserves (of the transferor) shall be preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

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.

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 11(a) for details of BAL scheme). 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 held for use in the production or/and supply of goods or services, or for administrative purposes, are 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. The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, and directly attributable cost of bringing the assets to its working condition and location. 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 (e) 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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

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. Depreciation on property, plant and equipment starts when asset is available for use. 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, depreciation method 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 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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

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:

- 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 Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group 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

# Notes to Consolidated Financial Statements

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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 has elected not to recognize ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Group has elected 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.

#### 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.

# Notes to Consolidated Financial Statements

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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 by an independent valuer 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.

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 balances. 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

# Notes to Consolidated Financial Statements

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asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**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. The Group does not have any debt instrument which is required to be classified in 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

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is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group does not have any debt instrument which is required to be classified in this category.

**Equity investments measured at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI)**

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.

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.

# Notes to Consolidated Financial Statements

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**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/ losses 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. The Group does not have any financial liability which is required to be classified in this category.

**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.

The Group has not reclassified any financial assets and financial liabilities after initial recognition.

**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.

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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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price adjusted with variable consideration, if any allocated to that performance obligation. Revenue also excludes taxes collected from the customers.

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, recoveries of rates and taxes (e.g. municipal taxes relating to the 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

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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.

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 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.

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.

Current tax assets and current tax liabilities are off-set against each other and the resultant net amount is presented in the balance sheet where the Group has a legally enforceable right to set off the recognized amounts and where the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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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.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities and 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.

Further, the Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Group concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Group concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The Group reflects the effect of uncertain tax positions in the overall measurement of tax expense and are based on the most likely amount or the expected value arrived at by the Company which provides a better prediction of the resolution of uncertainty.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial precedent.

### 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.

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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 on the basis of the present value of the defined benefit obligation as the Group does not have any plan asset.

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 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 employee benefit expense.

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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

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 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 adjusted for the effect of 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.

# Notes to Consolidated Financial Statements

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(Amounts in millions of Indian Rupees)

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.

### 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). The Group does not have any such items to be measured at fair value.

### 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) Exceptional Items

Exceptional items include items of income or expense that are considered to be part of Group's ordinary activities which are non-recurring. However, these

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

items are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner, facilitate comparison with comparative periods and assess underlying trends in the financial performance of the Group.

w) Non-GAAP measure of financial performance

Profit before depreciation and amortization, finance cost, finance income, charity and donation, exceptional items, 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.

**Key sources of estimation uncertainties, assumptions and critical judgements**

The management is applying judgements in the process of finalizing the Group's accounting policies and critical estimates. 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.

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.

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.

(b) Impairment of non-financial assets

Refer Note 4.1(c) for accounting policy on impairment of non- financial assets.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

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, the Group estimates the recoverable amount.

There is no indicator which triggers impairment of cash-generating unit ('CGU') of the Group on the reporting date. However, the Group has assessed impairment at asset level wherever necessary and if applicable it has recognised impairment charge in the consolidated statement of profit and loss.

### (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.

### (d) Allowances for doubtful 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/nil 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.

During the year ended March 31, 2023, the Group has revised the expected credit loss policy in case of one of the Customer of the Group from 90 days past due to immediate overdue and has taken the additional impact in the Statement of Profit and Loss for the year ended March 31, 2023 (refer note 47).

### (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) Revenue recognition

Refer note 4.1 (i) for judgement and estimates on revenue recognition.

### (g) Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgement is also required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

### (h) Provisions and Contigent Liabilities

The Company has ongoing litigations with various regulatory authorities and third parties that arise in the ordinary course of business, the outcome of which is inherently uncertain. The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information.

### (i) Employee benefits

The cost of the defined benefit plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on half yearly basis.

## 4.3 Recent accounting pronouncements

The 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 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are applicable for annual reporting periods beginning from April 01, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

This amendment requires companies to disclose their material accounting policies information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect to have any significant impact in its financial statements due to this amendment.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The Group does not expect to have any significant impact in its financial statements due to this amendment.

### Ind AS 12 – Income Taxes

The amendment has narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect to have any significant impact in its financial statements due to this amendment.

### Other amendments

Other amendments include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from Contract with Customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Group does not expect to have any significant impact in its financial statements due to these amendments.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees, unless stated otherwise)

## 5 (a) Property plant and equipment

| Particulars | Land | Plant and equipment | Office furniture and equipment | Computers | Leasehold improvements | Total property plant and equipment | Computer software | License fee | Total Intangible assets | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | | |
| **As at April 1, 2021** | **4** | **558,991** | **784** | **1,868** | **1,195** | **562,842** | **2,746** | **28** | **2,774** | **2,736** |
| Additions | - | 29,628 | 2 | 94 | 7 | 29,731 | 505 | - | 505 | 28,695 |
| Disposals/adjustments | - | (20,703) | (58) | (76) | (89) | (20,926) | - | - | - | (29,644) |
| **As at March 31, 2022** | **4** | **567,916** | **728** | **1,886** | **1,113** | **571,647** | **3,251** | **28** | **3,279** | **1,787** |
| Additions | - | 39,132 | 74 | 159 | 2 | 39,367 | 84 | - | 84 | 40,891 |
| Disposals/adjustments | - | (19,475) | (23) | (43) | - | (19,541) | - | - | - | (39,132) |
| **As at March 31, 2023** | **4** | **587,573** | **779** | **2,002** | **1,115** | **591,473** | **3,335** | **28** | **3,363** | **3,546** |
| **Accumulated depreciation/ amortisation** | | | | | | | | | | |
| **As at April 1, 2021** | **-** | **343,458** | **734** | **1,735** | **1,096** | **347,023** | **2,696** | **5** | **2,701** | **-** |
| Charge for the year | - | 34,940 | 12 | 115 | 50 | 35,117 | 225 | 1 | 226 | - |
| Disposals/adjustments | - | (18,995) | (44) | (74) | (79) | (19,192) | - | - | - | - |
| **As at March 31, 2022** | **-** | **359,403** | **702** | **1,776** | **1,067** | **362,948** | **2,921** | **6** | **2,927** | **-** |
| Charge for the year | - | 34,076 | 57 | 141 | 22 | 34,296 | 204 | 1 | 205 | - |
| Disposals/adjustments | - | (17,434) | (24) | (36) | - | (17,494) | - | - | - | - |
| **As at March 31, 2023** | **-** | **376,045** | **735** | **1,881** | **1,089** | **379,750** | **3,125** | **7** | **3,132** | **-** |
| **Net carrying value** | | | | | | | | | | |
| **As at March 31, 2022** | **4** | **208,513** | **26** | **110** | **46** | **208,699** | **330** | **22** | **352** | **1,787** |
| **As at March 31, 2023** | **4** | **211,528** | **44** | **121** | **26** | **211,723** | **210** | **21** | **231** | **3,546** |

(i) Plant and equipment comprise of assets given on operating lease.

(ii) Depreciation charge for the year includes Rs. 2,575 Mn (FY 2021-22 - Rs. 1,767 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposals/adjustments include cost and accumulated depreciation for assets sold and the assets for which insurance claims are raised by the Company.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 5 (a) Property plant and equipment (Contd..)

(iv) Capital work-in-progress (CWIP) ageing schedule:

**As at March 31, 2023**

| 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 | 3,420 | - | 2 | 1 | 3,423 |
| Projects temporarily suspended | 123 | - | - | - | 123 |
| **Total** | **3,543** | **-** | **2** | **1** | **3,546** |

**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 |
| **Total** | **1,775** | **2** | **-** | **10** | **1,787** |

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, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **109,210** | **102,110** |
| Additions for the year | 27,510 | 31,523 |
| Disposals for the year | (4,929) | (5,545) |
| Depreciation for the year | (19,909) | (18,878) |
| **Balance at the end of the year** | **111,882** | **109,210** |

## 6 Investments (Current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Investments carried at fair value through profit or loss** | | |
| Mutual funds (quoted) | - | 13,653 |
| Government securities (quoted) | 2,756 | 2,868 |
| **Total** | **2,756** | **16,521** |
| Aggregate value of quoted Investments (cost) | 2,890 | 16,540 |
| Aggregate market value of quoted Investments | 2,756 | 16,521 |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 6 Investments (Current) (Contd..)

**Current Investments**

Details of investments in mutual funds are provided below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| Axis Liquid Fund - Direct Growth | - | - | 1,163,479 | 2,751 |
| Aditya Birla Liquid Fund - Growth - Direct | - | - | 8,016,068 | 2,751 |
| HDFC Liquid - DP - Growth Option | - | - | 657,284 | 2,751 |
| Nippon India Overnight Fund - Direct Growth Plan | - | - | 23,228,111 | 2,650 |
| Tata Liquid Fund Direct Plan - Growth | - | - | 818,508 | 2,750 |
| **Total** | **-** | **-** | **33,883,450** | **13,653** |

Details of investments in government securities are provided below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| 7.68% Govt Stock 2023 | 27,500,000 | 2,756 | 27,500,000 | 2,868 |
| **Total** | **27,500,000** | **2,756** | **27,500,000** | **2,868** |

## 7 Other financial assets (Non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Security deposits** | | |
| Unsecured, considered good | 11,497 | 10,778 |
| Unsecured, considered doubtful | 897 | 1,106 |
| Less :- Allowances for doubtful deposits | (897) | (1,106) |
| | **11,497** | **10,778** |
| Fixed deposits for more than one year # | 255 | 234 |
| **Total** | **11,752** | **11,012** |

#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, 2023 | As at March 31, 2022 |
|---|---|---|
| Unbilled revenue* | 32,065 | 23,321 |
| Interest accrued on investments and deposits | 434 | 414 |
| Other Recoverable # | 19 | 20 |
| **Total** | **32,518** | **23,755** |

* 'Unbilled revenue' includes amount pertaining to related parties amounting to Rs. 28,428 Mn as at March 31, 2023 (March 31, 2022 - Rs. 21,610 Mn). For details refer note 39.

# 'Other recoverable' is net of allowances for other recoverable of Rs. Nil (March 31, 2022 - Rs. 6 Mn).

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 8 Taxes

### a) Income tax expense

#### i. Profit and loss

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Current tax | 20,327 | 20,373 |
| Deferred tax | (13,134) | 203 |
| **Income tax expense** | **7,193** | **20,576** |

Current tax expense includes reversal of tax charge of Rs. Nil (March 31, 2022 : Rs. 70 Mn) relating to earlier periods.

#### ii. Other Comprehensive Income / (Loss)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Deferred tax on re-measurements of defined benefits plan | (3) | 12 |
| **Tax charged to other comprehensive income /(loss)** | **(3)** | **12** |

### 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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Profit before taxes | 27,593 | 84,307 |
| Enacted tax rate in India | 25.168% | 25.168% |
| **Computed tax expense** | **6,945** | **21,218** |
| **Increase/(reduction) in taxes on account of:** | | |
| Tax effect of long-term MTM loss/(gain) on non-current investment | 15 | 10 |
| Tax effect of long term capital loss/(gain) on sale of non-current investment | - | (668) |
| Tax effect of disallowance on account of donation | 248 | 106 |
| Others | (15) | (90) |
| **Income tax expense recorded in the statement of profit and loss** | **7,193** | **20,576** |

The applicable Indian statutory tax rate for financial year 2022-23 and 2021-22 is 25.168%.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 8 Taxes (Contd..)

**c) Deferred tax liabilities/(assets)**

Movement in deferred tax assets and liabilities are as follows:

| Particulars | As at April 01, 2022 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax liability in relation to:** | | | | |
| Property, plant and equipment and intangible asset (excluding ARO) | 7,262 | 376 | - | 7,638 |
| Right of use assets | 27,293 | 657 | - | 27,950 |
| Investment carried at fair value through profit or loss/ OCI | - | - | - | - |
| Revenue equalisation reserve | 3,288 | 311 | - | 3,599 |
| Security deposit received measured at amortised cost | 72 | (20) | - | 52 |
| Others | - | - | - | - |
| **Total deferred tax liabilities** | **37,915** | **1,324** | **-** | **39,239** |
| **Deferred tax assets in relation to:** | | | | |
| Investment carried at fair value through profit or loss/ OCI | 2 | 14 | - | 16 |
| Security deposit paid measured at amortised cost | 360 | 38 | - | 398 |
| Allowances for doubtful receivables and advances | 1,206 | 13,309 | - | 14,515 |
| Lease liabilities | 34,664 | 993 | - | 35,657 |
| Asset retirement obligation | 92 | 85 | - | 177 |
| Provision for employee benefits | 548 | 32 | 3 | 583 |
| Employee stock option plans | 86 | - | - | 86 |
| Others | 39 | (14) | - | 25 |
| **Total deferred tax assets** | **36,997** | **14,457** | **3** | **51,457** |
| **Net deferred tax liabilities/(asset)** | **918** | **(13,133)** | **(3)** | **(12,218)** |

| Particulars | As at April 01, 2021 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2022 |
|---|---|---|---|---|
| **Deferred tax liability in relation to:** | | | | |
| Property, plant and equipment and intangible asset (excluding ARO) | 7,092 | 172 | - | 7,264 |
| Right of use assets | 25,694 | 1,599 | - | 27,293 |
| Investment carried at fair value through profit or loss/ OCI | 701 | (701) | - | - |
| Revenue equalisation reserve | 2,424 | 864 | - | 3,288 |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 8 Taxes (Contd..)

| Particulars | As at April 01, 2021 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2022 |
|---|---|---|---|---|
| Security deposit received measured at amortised cost | 81 | (9) | - | 72 |
| Others | 30 | (30) | - | - |
| **Total deferred tax liabilities** | **36,022** | **1,895** | **-** | **37,917** |
| **Deferred tax assets in relation to:** | | | | |
| Investment carried at fair value through profit or loss/ OCI | - | 2 | - | 2 |
| Property, plant and equipment and intangible asset (excluding ARO) | 1 | 1 | - | 2 |
| Security deposit paid measured at amortised cost | 259 | 101 | - | 360 |
| Allowances for doubtful receivables and advances | 1,520 | (314) | - | 1,206 |
| Lease liabilities | 32,814 | 1,850 | - | 34,664 |
| Asset retirement obligation | 28 | 64 | - | 92 |
| Provision for employee benefits | 437 | 123 | (12) | 548 |
| Employee stock option plans | 86 | - | - | 86 |
| Long term capital loss carried forward | 174 | (174) | - | - |
| Others | - | 39 | - | 39 |
| **Total deferred tax assets** | **35,319** | **1,692** | **(12)** | **36,999** |
| **Net deferred tax liabilities/(asset)** | **703** | **203** | **12** | **918** |

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.

## 9 Other non-current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Capital advances** | | |
| Unsecured, considered good | 122 | 25 |
| | **122** | **25** |
| **Others*** | | |
| Unsecured, considered good | 6,191 | 6,061 |
| Unsecured, considered doubtful | 1,149 | 1,069 |
| Less - Allowance | (1,149) | (1,069) |
| | **6,191** | **6,061** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 9 Other non-current assets (Contd..)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Prepaid | 11 | - |
| Revenue Equalisation Reserve | 13,674 | 12,532 |
| Other taxes recoverable | 47 | 41 |
| **Total** | **20,045** | **18,659** |

*"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, 2023 | As at March 31, 2022 |
|---|---|---|
| Secured, considered good | - | - |
| Unsecured, considered good | 48,687 | 70,586 |
| Significant increase in credit risk | 56,766 | 3,683 |
| Credit Impaired | - | - |
| Less: Allowances for doubtful receivables | (56,766) | (3,683) |
| **Total** | **48,687** | **70,586** |

Trade receivables are non-interest bearing and due after 15/21/45 days from the date of invoice. The Group is entitled to demand interest, wherever applicable in case the customer does not pay within the due date. Trade receivables also includes amount outstanding from related parties, for details, refer note 39.

**Trade Receivables ageing schedule:**

**As at March 31. 2023**

| 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 | 30,150 | 17,631 | 66 | 259 | 250 | 331 | 48,687 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | 41,991 | 13,046 | 634 | 864 | 231 | 56,766 |
| (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 | - | - | - | - | - | - | - |
| **Grand Total** | **30,150** | **59,622** | **13,112** | **893** | **1,114** | **562** | **105,453** |
| Less: Allowances for doubtful receivables | | | | | | | **(56,766)** |
| **Total** | **30,150** | **59,622** | **13,112** | **893** | **1,114** | **562** | **48,687** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 10 Trade receivables (Contd..)

**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 | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| **Grand Total** | **30,676** | **40,344** | **1,120** | **1,698** | **183** | **248** | **74,269** |
| Less: Allowances for doubtful receivables | | | | | | | **(3,683)** |
| **Total** | **30,676** | **40,344** | **1,120** | **1,698** | **183** | **248** | **70,586** |

## 11 Cash and cash equivalents

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance with banks** | | |
| On current accounts | 224 | 3,798 |
| Deposits with original maturity of less than three months | - | 6,004 |
| **Total** | **224** | **9,802** |

**For the purpose of the Cash flow statement, cash and cash equivalents comprise of following:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Cash and cash equivalents as per balance sheet | 224 | 9,802 |
| **Total** | **224** | **9,802** |

### Reconciliation of Cash Flow from financing activities for the year ended March 31, 2023

| Particulars | Lease liabilities | Borrowing* | Dividend including taxes | Interest | Treasury shares | Total |
|---|---|---|---|---|---|---|
| **As at April 1, 2022 (A)** | **142,392** | **54,868** | **-** | **120** | **(216)** | **197,164** |
| Cash activities | | | | | | |
| - Payments | (30,278) | (136,984) | (29,638) | (3,666) | (75) | (200,641) |
| - Proceeds | - | 129,315 | - | - | - | 129,315 |
| **Total cash activities (B)** | **(30,278)** | **(7,669)** | **(29,638)** | **(3,666)** | **(75)** | **(71,326)** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 11 Cash and cash equivalents (Contd..)

| Particulars | Lease liabilities | Borrowing* | Dividend including taxes | Interest | Treasury shares | Total |
|---|---|---|---|---|---|---|
| Non cash actvities | | | | | | |
| - Accrued | 11,053 | - | 29,638 | 4,095 | - | 44,786 |
| - Additions (net of terminations) | 21,556 | - | - | - | - | 21,556 |
| - Others | - | (73) | - | - | 100 | 27 |
| **Total non cash activites (C)** | **32,609** | **(73)** | **29,638** | **4,095** | **100** | **66,369** |
| **Balance as at March 31, 2023 (A+B+C)** | **144,723** | **47,126** | **-** | **549** | **(191)** | **192,207** |

**Reconciliation of cash flow from financing activities for the year ended March 31, 2022**

| Particulars | Lease liabilities | Borrowing* | Divident including taxes | Interest | Treasury shares | Total |
|---|---|---|---|---|---|---|
| **As at April 1, 2021 (A)** | **134,119** | **81,639** | **-** | **502** | **(109)** | **216,151** |
| Cash activities | | | | | | |
| - Payments | (28,522) | (189,144) | - | (4,418) | (154) | (222,238) |
| - Proceeds | - | 162,422 | - | - | - | 162,422 |
| **Total cash activities (B)** | **(28,522)** | **(26,722)** | **-** | **(4,418)** | **(154)** | **(59,816)** |
| Non cash actvities | | | | | | |
| - Accrued | 10,922 | - | - | 4,036 | - | 14,958 |
| - Additions (net of terminations) | 25,873 | - | - | - | - | 25,873 |
| - Others | - | (49) | - | - | 47 | (2) |
| **Total non cas h activites (C)** | **36,795** | **(49)** | **-** | **4,036** | **47** | **40,829** |
| **Balance as at March 31, 2022 (A+B+C)** | **142,392** | **54,868** | **-** | **120** | **(216)** | **197,164** |

* 'Borrowings' include long term borrowings and short term borrowings

## 12 Other current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Advances to supplier | 1,008 | 1,112 |
| Other taxes recoverable | 1,017 | 513 |
| Prepaid expenses | 230 | 280 |
| Revenue equalisation reserve | 627 | 532 |
| Others | 9 | 12 |
| **Total** | **2,891** | **2,449** |

'Advances to supplier' is net of allowances for advances of Rs. 181 Mn (March 31, 2022 - Rs. 158 Mn). 'Other taxes recoverable' is net of allowances for other taxes recoverable of Rs. 14 Mn (March 31, 2022 - Rs. 17 Mn)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 13 Share capital

### a. Equity share capital:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Authorized Shares** | | |
| 3,550,000,000 equity shares of Rs. 10 each (3,550,000,000 equity shares as at March 31, 2022) | 35,500 | 35,500 |
| **Issued, subscribed and fully paid-up shares** | | |
| 2,694,936,950 equity shares of Rs. 10 each fully paid-up (March 31, 2022 : 2,694,936,950 equity shares) | 26,949 | 26,949 |

### 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 had declared an interim dividend of Rs. 11/- per equity share (face value of Rs. 10/- each) for the financial year 2021-22 which has been paid subsequently during the year.

### c. Shares held by Promoters Company:

| Promoter name | No. of Shares | | % of total shares | | % Change during the year |
|---|---|---|---|---|---|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | |
| **Equity shares of Rs. 10 each fully paid** | | | | | |
| **Promoters w.e.f. November 19, 2020** | | | | | |
| Bharti Airtel Limited* | 1,292,261,364 | 672,102,530 | 47.95% | 24.94% | 23.01% |
| Nettle Infrastructure Investments Limited* | - | 579,530,375 | 0.00% | 21.50% | -21.50% |
| Omega Telecom Holdings Private Limited # | 62,180,258 | 62,180,258 | 2.31% | 2.31% | 0.00% |
| Euro Pacific Securities Ltd # | 13,790,472 | 13,790,472 | 0.51% | 0.51% | 0.00% |
| 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% |
| **Total** | **1,859,425,399** | **1,818,796,940** | **69.00%** | **67.49%** | **1.51%** |

*Nettle Infrastructure Investments Limited (Nettle) wholly owned subsidiary of Bharti Airtel Limited merged with and into Bharti Airtel Limited during the year. Accordingly, Bharti Airtel Limited holds 47.95% shares as on March 31, 2023. Bharti Airtel Limited along with its wholly owned subsidiary hold 46.44% shares as on March 31, 2022.

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, 2023 (March 31, 2022 - 21.05%).

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 13 Share capital (Contd..)

**d. Details of shareholders holding more than 5% shares in the Company:**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No of Shares | % Holding | No of Shares | % Holding |
| Bharti Airtel Limited | 1,292,261,364 | 47.95% | 672,102,530 | 24.94% |
| Nettle Infrastructure Investments Limited ## | - | 0.00% | 579,530,375 | 21.50% |
| **Total** | **1,292,261,364** | **47.95%** | **1,265,423,377** | **46.96%** |

## Nettle Infrastructure Investments Limited (Nettle) wholly owned subsidiary of Bharti Airtel Limited merged with and into Bharti Airtel Limited during the year.

**e. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date: Nil**

**f. Shares reserved for issue under options:**

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Group, refer note 34.

## 14 Other equity

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Securities Premium | 48,830 | 48,830 |
| Share Based Payment reserve | 118 | 98 |
| Capital redemption reserve | 471 | 471 |
| Capital reserve | 4,536 | 4,536 |
| Merger Capital Reserve | (48,901) | (48,901) |
| Treasury Shares | (191) | (216) |
| General Reserve | 69,881 | 71,090 |
| Retained earnings | 109,485 | 118,723 |
| Other comprehensive income | (83) | (75) |
| **Total** | **184,146** | **194,556** |

**(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 Group to its employees under its employee share options plan.

**(iii) Capital redemption reserve**

Capital redemption reserve was created on buy back of shares. A Group may issue fully paid up bonus shares to its members out of Capital redemption reserve account.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 14 Other equity (Contd..)

**(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 Indus Towers Limited (Formerly known as Bharti Infratel Limited) 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)).

**(vii) Retained earnings**

Retained earnings are the profits that the Group has earned till date, less transfer to other reserves (if any), dividends and other distributions paid to shareholders.

## 15 Long term borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured** | | |
| Term loans from banks* | 24,755 | 45,677 |
| Non-convertible debentures * | 14,971 | - |
| | **39,726** | **45,677** |
| **Current maturities of long-term borrowing (refer note 20)** | **(15,386)** | **(21,938)** |
| **Total** | **24,340** | **23,739** |

* Rs. 36 Mn (FY 2021-22 : 21 Mn) has been adjusted towards unamortized upfront fee on borrowings.

The company does not have any secured borrowings as at March 31,2023 and March 31, 2022.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 15 Long term borrowings (Contd..)

**Repayment of loan**

**(i) Loan outstanding Rs. 583 Mn**

As per the repayment schedule in the facility sanction letter, the Group 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. 2,969 Mn**

As per the repayment schedule in the facility sanction letter, the Group has to repay loans amounting to Rs. 17,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from December 2020.

**(iii) Loan outstanding Rs. 1,000 Mn**

As per the repayment schedule in the facility sanction letter, the Group has to repay loans amounting to Rs. 3,000 Mn availed from bank in 12 equated quarterly instalments which will commence from April 2021.

**(iv) Loan outstanding Rs. 4,166 Mn**

As per the repayment schedule in the facility sanction letter, the Group has to repay loans amounting to Rs. 10,000 Mn availed from bank in 12 equated quarterly instalments which will commence from September 2021.

**(v) Loan outstanding Rs. 4,375 Mn**

As per the repayment schedule in the facility sanction letter, the Group has to repay loans amounting to Rs. 7,500 Mn availed from bank in 12 equated quarterly instalments which will commence from January 2022.

**(vi) Loan outstanding Rs. 6,667 Mn**

As per the repayment schedule in the facility sanction letter, the Group has to repay loans amounting to Rs. 10,000 Mn availed from bank in 12 equated quarterly instalments which will commence from June 2022.

**(vii) Loan outstanding Rs. 5,000 Mn**

As per the repayment schedule in the facility sanction letter, the Group has to repay loans amounting to Rs. 5,000 Mn availed from bank in 12 equated quarterly instalments which will commence from May 2023.

Weighted average effective cost of debt as at March 31, 2023 is 8.05% per annum (March 31, 2022 : 5.60% per annum) on term loans from banks.

**(viii) Non-convertible debentures**

The Company has issued 15,000 rated, listed, unsecured, redeemable non-convertible debentures (Series I - 7,500, Series II - 3,750 and Series III - 3,750) of face value of Rs. 1,000,000 each in three series (Series I - Rs. 7,500 Mn, Series II - Rs. 3,750 Mn and Series III - Rs. 3,750 Mn) 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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 16 Lease liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance as at the beginning of the year** | **142,392** | **134,119** |
| Additions during the year | 28,222 | 32,347 |
| Deletions / Adjustments during the year | (6,666) | (6,474) |
| Interest accrued during the year | 11,053 | 10,922 |
| Payment of lease liabilities during the year | (30,278) | (28,522) |
| **Balance as at the end of the year** | **144,723** | **142,392** |
| Current | 20,517 | 21,515 |
| Non Current | 124,206 | 120,877 |

## 17 Other financial liabilities (Non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Security deposits | 3,824 | 5,708 |
| **Total** | **3,824** | **5,708** |

The above security deposit is the fair value of total security deposit at transaction value for Rs.5,567 Mn as at March 31, 2023 (March 31, 2022 : Rs. 7,385 Mn)

'Security deposits' includes transaction value of Rs. 3,000 Mn (March 31, 2022 : Rs. 3,120 Mn) towards amounts received from related parties. For details, refer note 39.

## 18 Provisions (Non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Asset retirement obligation (ARO)* | 17,873 | 16,254 |
| Gratuity (refer note 33) | 834 | 895 |
| Long-term service award | 31 | 49 |
| **Total** | **18,738** | **17,198** |

* 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, 2023 | As at March 31, 2022 |
|---|---|---|
| **Opening Balance** | 16,254 | 14,982 |
| Provision added during the year | 663 | 301 |
| Provision utilised/adjusted during the year | (321) | (202) |
| Unwinding of discount | 1,277 | 1,173 |
| **Closing Balance** | **17,873** | **16,254** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 18 Provisions (Non-current) (Contd..)

**Provisions (Current)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Gratuity (refer note 33) | 173 | 86 |
| Leave encashment | 503 | 449 |
| **Total** | **676** | **535** |

## 19 Other non-current liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Deferred operating lease revenue | 1,250 | 893 |
| Unearned revenue (refer note 39) | 643 | 569 |
| **Total** | **1,893** | **1,462** |

## 20 Short term borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured** | | |
| Commercial Paper** | - | 8,971 |
| Short term loans*** | 7,400 | 220 |
| Current maturities of long term borrowings (refer note 15) | 15,386 | 21,938 |
| **Total** | **22,786** | **31,129** |

**The Commercial paper have been issued to financial institutions and carries interest rate of Nil (March 31, 2022 : 4.07%) per annum.

***The short term loans have been taken from banks and financial institutions and carries effective interest rate of 7.60% to 8.90% (March 31, 2022 :7.44% to 7.98%) per annum.

## 21 Trade payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| - Total outstanding dues of micro enterprises and small enterprises* | 494 | 522 |
| - Total outstanding dues other than micro enterprises and small enterprises | 20,725 | 20,771 |
| **Total** | **21,219** | **21,293** |

*Also include outstanding of medium enterprises.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 21 Trade payables (Contd..)

a) Trade Payable include Rs. 18 Mn (March 31, 2022 : Rs. 92 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, 2023 | As at March 31, 2022 |
|---|---|---|
| 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 | 490 | 516 |
| Interest due on above | 1 | 3 |
| 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 | 456 | 1,128 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006 | 3 | 3 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 4 | 6 |
| 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 | 4 | 6 |

Total payments made to micro, small and medium enterprises amounts to Rs. 20,909 Mn (Rs. 20,397 Mn for the year ended March 31, 2022) out of which Rs. 450 Mn (Rs 1,128 Mn for the year ended March 31, 2022) 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, 2023**

| 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 | 402 | 89 | 3 | - | - | 494 |
| (ii) Others | 365 | 694 | 243 | 196 | 8 | 1,506 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | 3 | 12 | 1 | - | 68 | 84 |
| **Subtotal** | **770** | **795** | **247** | **196** | **76** | **2,084** |
| (v) Accruals | 19,135 | - | - | - | - | 19,135 |
| **Total** | **19,905** | **795** | **247** | **196** | **76** | **21,219** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 21 Trade payables (Contd..)

**As at March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 416 | 102 | - | - | - | 518 |
| (ii) Others | 597 | 452 | 246 | 263 | 14 | 1,572 |
| (iii) Disputed dues - MSME | - | 4 | - | - | - | 4 |
| (iv) Disputed dues - Others | 3 | 1 | 2 | 5 | 66 | 77 |
| **Subtotal** | **1,016** | **559** | **248** | **268** | **80** | **2,171** |
| (v) Accruals | 19,122 | - | - | - | - | 19,122 |
| **Total** | **20,138** | **559** | **248** | **268** | **80** | **21,293** |

**(d) Relationship with Struck Off Companies**

| Name of the Company | Nature of transaction | Relationship with the Company | Balance outstanding as at* | |
|---|---|---|---|---|
| | | | As at March 31, 2023 | As at March 31, 2022 |
| Windtel Private Limited | Repair and Maintaince services | Vendor | -* | -* |
| Medius Destinations india Private Limited | Legal charges | Vendor | -* | -* |
| R D Promoters Private Limited | Rent | Landlord | -* | -* |
| Palat Engineers India Private Limited | Deployment service | Vendor | (2) | (2) |
| Paresh Buildcon Private Limited | Rent | Landlord | -* | - |
| Precious Shelters Private Limited | Rent | Landlord | -* | - |
| Lords Hotels Private Limited | Boarding and Lodging Expense | Vendor | -* | -* |
| Akansha Builders Private Limited | Rent | Landlord | - | -* |
| Lex Property Developments Private Limited | Rent | Landlord | _* | _* |
| Najeeb Construction Private Limited | Repair and Maintaince services | Vendor | _* | _* |
| IITG Jobs Private Limited | Professional fees | Vendor | _* | _* |
| Curinnov Services Private Limited | Repair and Maintaince services | Vendor | _* | _* |
| Helpsure Multi-Trade Private Limited | Repair and Maintaince services | Vendor | _* | _* |
| Rajiv Hotels (India) PLtd. | Rent | Landlord | _* | _* |
| Synergy Telecommunications Private Limited | Repair and Maintaince services | Vendor | _* | _* |
| Tunir Construction Company Private Limited | Rent | Landlord | _* | _* |

The above disclosure has been made with respect to Stuck off companies only where the balance were outstanding either in current year or in previous year.

**Less than 1 Mn*

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 22 Other financial liabilities , current

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Payable to employees | 820 | 760 |
| Creditors for capital expenditure | 9,808 | 5,185 |
| Interest accrued and not due | 549 | 120 |
| Security deposits | - | 30 |
| Other Payables | 415 | 415 |
| **Total** | **11,592** | **6,510** |

## 23 Other current liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Statutory Liabilities | 3,383 | 3,877 |
| Unearned revenue (refer note 39) | 392 | 628 |
| Deferred operating lease revenue | 289 | 497 |
| Liability for cash settled option (refer note 34) | - | 18 |
| Others | 108 | 143 |
| **Total** | **4,172** | **5,163** |

## 24 Revenue from operations

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Sale of services** | | |
| Rent (including recoveries for rates and taxes) | 174,317 | 176,065 |
| Energy | 109,501 | 101,107 |
| **Total** | **283,818** | **277,172** |

## 25 Other income

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Interest income (Others) | 43 | 81 |
| Profit on sale of property, plant and equipment | 2,614 | 2,551 |
| Miscellaneous income | 956 | 893 |
| **Total** | **3,613** | **3,525** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 26 Power and fuel

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Network | 105,840 | 102,592 |
| Others | 68 | 66 |
| **Total** | **105,908** | **102,658** |

## 27 Employee benefit expenses

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Salaries, wages and bonus* | 7,117 | 7,182 |
| Contribution to provident fund | 236 | 232 |
| Equity settled/cash settled option expense (refer note 34) | 77 | 108 |
| Staff welfare expenses | 224 | 164 |
| Others | 87 | 36 |
| **Total** | **7,741** | **7,722** |

* '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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Repair and maintenance** | | |
| - Plant and machinery | 12,994 | 13,003 |
| - Others | 512 | 464 |
| **Total** | **13,506** | **13,467** |

## 29 Other expenses

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Insurance | 583 | 465 |
| Travelling and conveyance | 740 | 464 |
| Communication expenses | 75 | 63 |
| Legal and professional | 823 | 795 |
| Rates and Taxes | 1,766 | 1,567 |
| Information technology (IT) expenses | 1,140 | 1,005 |
| Allowances for doubtful receivables and advances (net) | 53,077 | (1,170) |
| Miscellaneous expenses | 789 | 707 |
| **Total** | **58,993** | **3,896** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 29 Other expenses (Contd..)

**Payment to auditor (Included in legal and professional expenses above)**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Audit fee | 14.2 | 12.6 |
| Tax audit fee | 0.6 | 0.6 |
| Other services | 2.2 | 1.1 |
| Reimbursement of expenses | 1.1 | 1.0 |
| **Total** | **18.1** | **15.3** |

## 30 Depreciation and amortization expense

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Depreciation | 54,205 | 53,996 |
| Amortization | 205 | 226 |
| | **54,410** | **54,222** |
| Less: adjusted with general reserve in accordance with the Scheme of arrangement (refer note 42) | (1,171) | (970) |
| **Total** | **53,239** | **53,252** |

## 31 Finance Costs and Income

**Finance costs**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Interest Expense | 4,011 | 3,461 |
| Bank charges | 9 | 5 |
| Unwinding of discount on asset retirement obligation | 1,277 | 1,173 |
| Unwinding of discount on security deposit received | 354 | 472 |
| Interest on Lease Liabilities | 11,053 | 10,922 |
| **Total** | **16,704** | **16,033** |

**Finance Income**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Interest income on financial assets carried at amortized cost:** | | |
| Interest on bank deposit | 14 | 12 |
| Interest on security deposit paid | 555 | 502 |
| Interest income (others) | 1,335 | 142 |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 31 Finance Costs and Income (Contd..)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Interest income on financial assets carried at fair value through profit or loss:** | | |
| Interest on government securities | 211 | 211 |
| **Gain/(loss) on investments (including MTM gain/(loss))** | 50 | 193 |
| **Total** | **2,165** | **1,060** |

## 32 Earnings per Share (EPS)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Nominal value of equity shares ( Rs.) | 10 | 10 |
| Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (Rs. Million) | 20,400 | 63,731 |
| Weighted average number of equity shares outstanding during the year for computing Basic EPS (B) | 2,694,467,519 | 2,694,436,314 |
| Dilutive effect on weighted average number of equity shares outstanding during the year | 84,879 | 249,644 |
| Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C) | 2,694,552,398 | 2,694,685,958 |
| Basic earnings per share (A/B) (Rs.) | 7.57 | 23.65 |
| Diluted earnings per share (A/C) (Rs.) | 7.57 | 23.65 |

## 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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Employer’s contribution to provident fund | 236 | 232 |
| **Total** | **236** | **232** |

**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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 33 Employee benefits (Contd..)

### Gratuity

i. **Amount charged to the consolidated statement of profit and loss:**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Service cost | 116 | 378 |
| Interest cost | 70 | 48 |
| **Total** | **186** | **426** |

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 defined benefit 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 defined benefit plan's liability.

**The assumptions used to determine the benefit obligation are as follows:-**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Discount rate | 7.36% | 7.19% |
| Expected rate of increase in compensation levels* | 9.00% | 8.00% |
| Expected average remaining working lives of employees (years)* | 19.55 | 20.01 |

*For contractual employees, expected rate of increase in compensation levels is 6% (March 31, 2022 : 6%) & expected average remaining working lives of employees is 23.42 years (March 31, 2022: 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, 2023 .

Retirement age: The employees of the Group are assumed to retire at the age of 58 years.

Rates of leaving service at specimen ages as at March 31, 2023 are as shown below:

| Age (Years) | Rates |
|---|---|
| Upto 30 years | 28.63% |
| From 31 - 44 years | 17.52% |
| Above 44 years | 18.49% |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 33 Employee benefits (Contd..)

iii. Reconciliation of opening and closing balances of defined benefit obligation:

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Present value of benefit obligation at the beginning of year** | 981 | 708 |
| Service cost | 116 | 378 |
| Interest cost | 70 | 48 |
| Benefits paid | (171) | (106) |
| Actuarial (gain)/ loss | 11 | (47) |
| **Present value of benefit obligation as at the end of year** | **1,007** | **981** |

iv. Amount recognised in Other Comprehensive Income

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Opening net cumulative unrecognized gain/(loss)** | (100) | (147) |
| Actuarial gain/(loss) | (11) | 47 |
| **Unrecognized actuarial gain/(loss) at the end of year** | **(111)** | **(100)** |

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. 194 Mn (March 31, 2022 : Rs. 210 Mn).

viii. The Maturity profile of defined benefit obligation is as follows :

| Period | Amount |
|---|---|
| April 2023 - March 2024 | 173 |
| April 2024- March 2025 | 156 |
| April 2025- March 2026 | 128 |
| April 2026- March 2027 | 105 |
| April 2027 onwards | 445 |

ix. Sensitivity analysis

| Particulars | Change in Assumption | | Impact on Gratuity | |
|---|---|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Discount rate | +1% | +1% | (42) | (64) |
| | -1% | -1% | 45 | 78 |
| Salary Growth rate | +1% | +1% | 45 | 78 |
| | -1% | -1% | (42) | (74) |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 33 Employee benefits (Contd..)

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 Group

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Group instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme). In FY 2013-14 and 2014-15, the Group 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, 2020-21, 2021-22 and 2022-23, the Group has announced Long term incentive plan (LTIP) 2015 for its employees.

The following table provides an overview of all existing stock/cash option plans issued by the Group.

| Entity | Scheme | Plan | Stock options outstanding (in thousands) | Vesting period (years) | Contractual term (years) | Weighted average exercise price (Rs.) | Classification / accounting treatment |
|---|---|---|---|---|---|---|---|
| | **Equity settled Plans** | | | | | | |
| Company | ESOP Scheme 2008 | 2008 Plan | - | 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) | 4 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2018) | - | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2019-20) | - | 1 - 3 | 7 | 10 | Equity settled |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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 2020-21) | 151 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2021) | 395 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2022)* | 663 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2022)** | 95 | 1 - 3 | 7 | 10 | Equity settled |
| | **Cash settled Plans** | | | | | | |
| | Scheme 2013 | Performance Unit Plan (2013 and 2014) | - | 1 - 3 | 7 | - | Cash settled |

(*) ESOP granted during August 2022

(**) ESOP granted during February 2023

**The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Group:**

| Entity | Vesting period from the grant date | Vesting schedule |
|---|---|---|
| **1. ESOP Scheme 2008 (including LTIP)** | | |
| 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% |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

| Entity | Vesting period from the grant date | Vesting schedule |
|---|---|---|
| **2. Performance Unit Plan (Cash settled plan)** | | |
| 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% |
| **3. Long term incentive plan (LTIP) 2015 (Grant 2015)** | | |
| 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% |
| **4. Long term incentive plan (LTIP) 2015 (Grant 2016)** | | |
| 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% |
| **5. Long term incentive plan (LTIP) 2015 (Grant 2017)** | | |
| 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% |
| **6. Long term incentive plan (LTIP) 2015 (Grant 2018)** | | |
| 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% |
| **7. Long term incentive plan (LTIP) 2015 (Grant 2019-20)** | | |
| For options with a vesting period of 28 months: | | |
| | On completion of 12 months | 60% |
| | On completion of 28 months | 40% |
| **8. Long term incentive plan (LTIP) 2015 (Grant 2020-21)** | | |
| For options with a vesting period of 30 months: | | |
| | On completion of 12 months | 60% |
| | On completion of 30 months | 40% |
| **9. Long term incentive plan (LTIP) 2015 (Grant 2021)** | | |
| 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% |
| **10. Long term incentive plan (LTIP) 2015 (Grant 2022)*** | | |
| 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, 2023

(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

| Entity | Vesting period from the grant date | Vesting schedule |
|---|---|---|
| 11. Long term incentive plan (LTIP) 2015 (Grant 2022)** | | |
| For options with a vesting period of 30 months: | | |
| | On completion of 12 months | 30% |
| | On completion of 18 months | 30% |
| | On completion of 30 months | 40% |

(*) ESOP granted during August 2022

(**) ESOP granted during February 2023

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

### As at March 31, 2023

| Plan | Exercise price (Rs.) | Number of stock options (in '000) | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding at beginning of the year | Granted | Forfeited | Exercised | Outstanding at the year end | Exercisable at end of the year |
| Plan 2008 | 110 | 1 | - | - | 1 | - | - |
| Cash settled Plan (2013 and 2014) | NA | - | - | - | - | - | - |
| LTI Plan 2015 (Grant 2015) | 10 | 4 | - | - | - | 4 | 4 |
| LTI Plan 2015 (Grant 2016) | 10 | 4 | - | - | - | 4 | 4 |
| LTI Plan 2015 (Grant 2017) | 10 | 7 | - | - | 3 | 4 | 4 |
| LTI Plan 2015 (Grant 2018) | 10 | 16 | - | - | 16 | - | - |
| LTI Plan 2015 (Grant 2019-20) | 10 | 68 | - | 5 | 63 | - | - |
| LTI Plan 2015 (Grant 2020-21) | 10 | 317 | - | 54 | 112 | 151 | 25 |
| LTI Plan 2015 (Grant 2021) | 10 | 619 | - | 83 | 141 | 395 | 39 |
| LTI Plan 2015 (Grant 2022)* | 10 | - | 688 | 25 | - | 663 | - |
| LTI Plan 2015 (Grant 2022)** | 10 | - | 95 | - | - | 95 | - |

(*) ESOP granted during August 2022

(**) ESOP granted during February 2023

### As at March 31, 2022

| Plan | Exercise price (Rs.) | Number of stock options (in '000) | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding at beginning of the year | Granted | Forfeited | Exercised | Outstanding at the year end | Exercisable at end of the year |
| Plan 2008 | 110 | 2 | - | - | 1 | 1 | 1 |
| Cash settled Plan (2013 and 2014) | NA | 7 | - | - | 7 | - | - |
| LTI Plan 2015 (Grant 2015) | 10 | 4 | - | - | - | 4 | 4 |
| LTI Plan 2015 (Grant 2016) | 10 | 5 | - | - | 1 | 4 | 4 |
| LTI Plan 2015 (Grant 2017) | 10 | 11 | - | - | 4 | 7 | 7 |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

| Plan | Exercise price (Rs.) | Number of stock options (in '000) | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding at beginning of the year | Granted | Forfeited | Exercised | Outstanding at the year end | Exercisable at end of the year |
| LTI Plan 2015 (Grant 2018) | 10 | 33 | - | - | 17 | 16 | 16 |
| LTI Plan 2015 (Grant 2019-20) | 10 | 107 | - | 12 | 27 | 68 | 38 |
| LTI Plan 2015 (Grant 2020-21) | 10 | 491 | - | 57 | 117 | 317 | 150 |
| LTI Plan 2015 (Grant 2021) | 10 | - | 641 | 22 | - | 619 | - |

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, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2023 |
| **Equity settled plans** | | | | | | |
| Plan 2008 | - | 0.25 | - | - | 207.65 | 239.20 |
| LTI Plan 2015 (Grant 2015) | 2.33 | 3.33 | - | - | - | - |
| LTI Plan 2015 (Grant 2016) | 2.33 | 3.33 | - | - | - | 281.50 |
| LTI Plan 2015 (Grant 2017) | 2.33 | 4.19 | - | - | 168.28 | 227.12 |
| LTI Plan 2015 (Grant 2018) | - | 6.15 | - | - | 177.18 | 237.15 |
| LTI Plan 2015 (Grant 2019-20) | - | 6.60 | - | - | 180.80 | 243.89 |
| LTI Plan 2015 (Grant 2020-21) | 7.08 | 7.62 | - | - | 189.92 | 222.19 |
| LTI Plan 2015 (Grant 2021) | 7.75 | 8.43 | - | 222.15 | 187.00 | - |
| LTI Plan 2015 (Grant 2022)* | 8.43 | - | 227.75 | - | - | - |
| LTI Plan 2015 (Grant 2022)** | 8.59 | - | 144.30 | - | - | - |

(*) ESOP granted during August 2022

(**) ESOP granted during February 2023

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 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 2022)* As at March 31, 2023 | LTIP Plan 2015 (Grant 2022)** As at March 31, 2023 | LTIP Plan 2015 (Grant 2021) As at March 31, 2022 |
|---|---|---|---|
| Risk free interest rates | 7.29% | 7.28% | 3.45% to 6.77% |
| Vesting period | 36 months | 30 months | 36 months |
| Weighted average share price (Rs.) | 227.75 | 144.30 | 222.15 |
| Volatility | 52.27% | 49.38% | 49.62% |
| Dividend yield | 4.83% | 7.62% | 8.55% |

(*) ESOP granted during August 2022

(**) ESOP granted during February 2023

### (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 was 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 was determined using Black Scholes Option Pricing Model. The fair value of SAR granted after applying an estimated forfeiture rate has been 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) | 0.00 | 1 - 3 | 7 | 1 | Cash settled |
| | Grant 8 (Aug 2019) | 0.00 | 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 |
|---|---|---|
| **SAR Plan 2 (Grant 7 & Grant 8)** | | |
| 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, 2023

(Amounts in millions of Indian Rupees)

## 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, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of stock options | Exercise price (Rs.) | Number of stock options | Exercise price (Rs.) |
| **Performance Unit Plan (Grant 7 & Grant 8)** | | | | |
| Outstanding at beginning of the year | 32 | 1 | 85 | 1 |
| Outstanding as on effective date of merger | - | - | - | - |
| Granted | - | - | - | - |
| Forfeited | - | - | (3) | 1 |
| Exercised | (32) | 1 | (50) | 1 |
| Outstanding at the year end | - | - | 32 | 1 |
| Exercisable at end of the year | - | - | 3 | 1 |

Remaining contractual life for the options outstanding as of March 31, 2023 is Nil (March 31, 2022 - 3.33 years) and Nil (March 31, 2022 - 4.33 years) for Grant 7 and Grant 8 respectively.

**Notes:**

(i) Total employees stock/cash options expense recognised for the year ended March 31, 2023 and March 31, 2022 is Rs. 77 Mn and Rs. 108 Mn respectively.

(ii) The Group had decided to issue equity shares on exercise of ESOPs through ESOP trust and with this objective, 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 Group] was formed in FY 2014-15.

The loan has been given to ESOP trust time to time for purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014 and the same is being adjusted against the shares issued by the trust to the employees of the Company .

During the year ended March 31, 2023, Trust has acquired 525,000 shares at a price of Rs. 142.31 per share and 401,647 equity shares of exercise price of Rs. 10 each and 743 equity shares of exercise price of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of March 31, 2023, the Trust holds 676,322 shares (of Face Value of Rs. 10 each) (March 31, 2022 - 553,712 shares) of the Company.

Reconciliation of numbers of shares held by ESOP Trust

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| | Number of Shares | | (Rs. Million) | |
| Opening balance | 553,712 | 145,090 | 141 | 33 |
| Purchased during the year | 525,000 | 610,000 | 75 | 154 |
| Share sold during the year | - | - | - | - |
| Issued during the year | (402,390) | (201,378) | (100) | (46) |
| **Closing balance** | **676,322** | **553,712** | **115** | **141** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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. 174,317 Mn and Rs. 176,065 Mn for the year ended March 31, 2023 and March 31, 2022 respectively.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Future minimum lease income receivable:** | | |
| Not later than one year | 146,608 | 111,145 |
| Later than one year but not later than five years | 507,986 | 315,181 |
| Later than five years | 425,960 | 118,014 |
| **Total** | **1,080,554** | **544,340** |

## 36 Contingencies & Capital Commitments

### a) Guarantees

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Guarantees issued by banks and financials institutions on behalf of the Group | 1,190 | 1,120 |
| **Total** | **1,190** | **1,120** |

The financial bank guarantees have been issued to regulatory authorities.

### b) Contingent Liability

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| (i) Taxes, duties and other demands (under adjudication / appeal / dispute) | | |
| Stamp duty {refer to (i) below} | 226 | 224 |
| Entry tax {refer to (ii) below} | 1,945 | 1,949 |
| Sales tax/VAT/GST {refer to (iii) below} | 21,221 | 21,753 |
| Municipal taxes {refer to (iv) below} | 11,326 | 10,375 |
| Service tax {refer to (v) below} | 39,344 | 40,590 |
| (ii) Income tax matters {refer to (vi) below} | 37,949 | 37,978 |
| (iii) Other claims {refer to (vii) below} | 1,854 | 2,021 |
| **Grand Total** | **113,865** | **114,890** |

The management of the Group assesses all material claims in the nature of demands against the Group and based on legal advice in certain cases evaluates whether it is probable, possible or remote (PPR).

Further, the management of the Group makes an assessment for uncertain tax positions for direct tax matters and records a provision if it is probable and disclose it as part of contingent liabilities when it is assessed as possible in nature.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 36 Contingencies & Capital Commitments (Contd..)

The show cause notices (SCN) including intimation prior to SCN relating to direct and indirect taxes have neither been acknowledged as claims nor considered as contingent liability and hence, not disclosed.

Contingent liability amount disclosed above includes interest and penalty only to the extent such amounts are demanded by various tax authorities through demand order.

The Group discloses voluntarily for the material cases that are assessed as remote as part of PPR analysis and are included in the above amount.

### i) Stamp duty

The Group had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

### ii) 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 Group has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan and Assam and amended the pending petitions in 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.

### iii) 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. The demand for GST pertains to disallowance of Input tax credit availed by the Group on passive infrastructure assets other than towers.

### iv) Municipal taxes

The Group 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 Group would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

### v) 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 Group has filed writ petition before Hon'ble High Court of Delhi which was decided in favour of the Group 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 favourable order of Delhi High Court. The Hon'ble Supreme Court has tagged the SLP with pending matter on similar issue of telecom operators.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 36 Contingencies & Capital Commitments (Contd..)

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 Group 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 Group has received favourable order from CESTAT, Chandigarh on issue of reversal of CENVAT credit on removal of scrap for FY'14 & FY'15.

vi) **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.

vii) **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 unfavourable orders.

viii) 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 Group for the operation of its towers and same was challenged before Appellate Tribunal by the Industry including the Group. The Appellate tribunal has decided in favor of Appellants including the Group 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 Group 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 Group has obtained necessary undertakings from the customers for payment/reimbursement of differential cost.

### c) Capital Commitment

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances) | 5,671 | 2,311 |
| **Total** | **5,671** | **2,311** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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.

| Particulars | Carrying Amount | | Fair Value | |
|---|---|---|---|---|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| **Financial Assets** | | | | |
| - **At fair value through profit or loss** | | | | |
| Investment in mutual funds | - | 13,653 | - | 13,653 |
| Investment in government securities | 2,756 | 2,868 | 2,756 | 2,868 |
| - **At amortised cost** | | | | |
| Cash and cash equivalents | 224 | 9,802 | 224 | 9,802 |
| Trade receivables | 48,687 | 70,586 | 48,687 | 70,586 |
| Other financial assets | 44,270 | 34,767 | 44,270 | 34,767 |
| | **95,937** | **131,676** | **95,937** | **131,676** |
| **Financial Liabilities** | | | | |
| - **At amortised cost** | | | | |
| Borrowings | 47,126 | 54,868 | 47,126 | 54,868 |
| Trade payables | 21,219 | 21,293 | 21,219 | 21,293 |
| Other financial liabilities | 15,416 | 12,218 | 15,416 | 12,218 |
| | **83,761** | **88,379** | **83,761** | **88,379** |

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

i) The carrying value of cash and cash equivalents, other bank balances, trade receivables, short term borrowings, trade payables approximate their fair value mainly due to the short-term maturities of these instruments/being subject to floating rates.

ii) 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.

iii) The fair value of security deposits included in other financial assets & other financial liabilities and variable and fixed rate long term borrowings 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 price 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)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 38 Fair value hierarchy (Contd..)

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, 2023 Level 1 | As at March 31, 2022 Level 1 |
|---|---|---|
| **Financial Assets** | | |
| **- At fair value through profit or loss** | | |
| - Investments in mutual funds | - | 13,653 |
| - Investments in government securities | 2,756 | 2,868 |
| | **2,756** | **16,521** |

No financial asset has been classified into Level 2 and Level 3 fair value measurements.

Further, during the year ended March 31, 2023, 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)

Mr. Prachur Sah, Managing Director and CEO (w.e.f January 03, 2023)

Mr. Bimal Dayal, Managing Director and CEO (till September 17, 2022)

Mr. Vikas Poddar, Chief Financial Officer

Ms.Samridhi Rodhe, Company Secretary

**Non Executive Directors**

Ms. Anita Kapur - Independent Director

Ms. Sonu Bhasin - Independent Director

Mr. N Kumar - Independent Director

Mr. Sharad Bhansali - Independent Director

Mr. Ramesh Abhishek - Independent Director (appointed w.e.f. January 03, 2023)

Mr. Rajan Bharti Mittal

Mr. Gopal Vittal

Mr. Pankaj Tewari (appointed w.e.f. October 08, 2022)

Mr. Sunil Sood (appointed w.e.f. June 30, 2022)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 39 Related party Disclosures: (Contd..)

Mr. Harjeet Singh Kohli

Mr. Thomas Reisten

Mr. Randeep Singh Sekhon

Mr. Ravinder Takkar

### ii. Related parties who have control/significance influence over the Group:

| Relationship | Related Party |
|---|---|
| Promoter Groups | Bharti Airtel Limited |
| | Nettle Infrastructure Investments Limited (merged with and into Bharti Airtel Limited w.e.f. February 01, 2023) |
| | 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 |

### iii. Other related parties where joint control/significance influence exists and with whom transactions have taken place during the year:

| Relationship | Related Party |
|---|---|
| Entities having significant influence [includes Subsidiaries and Joint Venture of the promoter group] | Bharti Hexacom Limited |
| | Nxtra Data Limited |
| | Bharti Airtel Services Limited |
| | Vodafone Idea Limited |
| | KFin Technologies Private Limited (Ceased to be a related party w.e.f February 24, 2022)* |

*Related party having common directorship

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 39 Related party Disclosures: (Contd..)

**b) Related Party transactions and balances:**

Related party transactions represent transactions entered into by the Group with promoter group and entities having significant influence over the Group. The transactions with these related parties for year ended March 31, 2023 and March 31, 2022 and balances as at March 31, 2023 and March 31, 2022 are described below:

| | Year ended March 31, | | Year ended March 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Relationship** | Promoters | | Entities having significant influence | |
| **Nature of transaction** | | | | |
| Loan given | - | - | - | (348) |
| Purchase of property, plant & equipment | - | - | (28) | (31) |
| Revenue from operations* | 144,632 | 129,009 | 127,477 | 120,048 |
| Procurement of services/Reimbursement of expenses | (127) | (190) | (81) | (112) |
| Security deposit received | - | - | (3) | (5) |
| Security deposit refunded | 36 | - | 95 | - |
| Dividend paid/declared | (20,091) | - | - | - |
| Interest expense | - | - | - | 48 |
| | **124,450** | **128,819** | **127,460** | **119,600** |

*Inclusive of GST and interest income and represents gross billed and unbilled transactions recorded during the year.

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Relationship** | Promoters | | Entities having significant influence | |
| **Nature of balances** | | | | |
| Trade payables | (16) | (87) | (2) | (5) |
| Other non-current and current liabilities | (650) | (646) | (384) | (552) |
| Other financial assets | 16,027 | 10,096 | 12,401 | 11,514 |
| Trade receivables # | 28,437 | 24,857 | 86,717 | 59,198 |
| Other non-current financial liabilities | (1,403) | (1,431) | (1,597) | (1,689) |
| | **42,395** | **32,789** | **97,135** | **68,466** |

# Represents gross billed transactions outstanding at the end of the year.

As at March 31, 2023, the Group has outstanding allowances for doubtful receivables pertaining to related parties amounting to Rs. 54,533 Mn (March 31, 2022: Rs. 776 Mn).

Figures in bracket indicate liability and figures without bracket indicate assets.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 39 Related party Disclosures: (Contd..)

### Payments made to Key management personnel/ non executive directors:

| Particulars | Year ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Short-term employee benefits (including salary and commission) | 110 | 86 |
| Post-Employment benefits | 8 | 9 |
| Share based payment | 5 | 19 |
| **Total** | **123** | **114** |

Amount received from KMP for ESOP exercised during the year ended March 31, 2023 is Nil* (March 31, 2022 : 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 47.

## 40 Segment Reporting

The Group 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 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 and 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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Profit on sale of property, plant and equipment | 2,614 | 2,551 |
| Power & Fuel | 105,840 | 102,592 |
| Salaries, wages and bonus | 7,117 | 7,182 |
| Repair and maintenance - Plant and machinery | 12,994 | 13,003 |
| Rates and Taxes | 1,766 | 1,567 |
| Provision for doubtful debts and advances (net) | 53,077 | - |
| Depreciation and amortization expense | 53,239 | 53,252 |
| Interest Expense | 4,011 | 3,461 |
| Interest on Lease Liabilities | 11,053 | 10,922 |

# Notes to Consolidated Financial Statements

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**42** As per transitional provisions specified in Ind AS 101, "First time Adoption of Indian Accounting Standards". The Group 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. As prescribed under the scheme, such general reserve had been utilised for additional or accelerated depreciation related to the fixed assets transferred pursuant to 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 Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 42 (Contd..)

Movement of General Reserve created out of merger:

| Particulars | Amount |
|---|---|
| **General reserve arising out of merger on the effective date of merger i.e. November 19, 2020** | **73,257** |
| Less: Additional or accelerated depreciation for the period from November 19, 2020 to March 31, 2021 (including Rs. 589 Mn on account of alignment of accounting practices and estimates) | (1,133) |
| **General reserve arising out of merger as on March 31, 2021** | **72,124** |
| Less: Additional or accelerated depreciation for the financial year ended March 31, 2022 | (970) |
| **General reserve arising out of merger as on March 31, 2022** | **71,154** |
| Less: Additional or accelerated depreciation for the financial year ended March 31, 2023 | (1,171) |
| **General reserve arising out of merger as on March 31, 2023** | **69,983** |

**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 11(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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **(i) Amount required to be spent by the company during the year*** | 1,046 | 418 |
| **(ii) Amount of expenditure incurred** | 977 | 356 |
| **(iii) (Surplus)/Shortfall at the end of the year** | 69 | 62 |
| **(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)

* The budgeted spent for the year ended March 31, 2023 is Rs. 984 Mn increased by Rs. 62 Mn on account of unspent obligation of financial 2021-22. The budgeted spent for the year ended March 31, 2022 was Rs. 573 Mn less excess spent of Rs. 155 Mn pertaining to financial year 2020-21.

The remaining unspent money of Rs. 69 Mn (March 31, 2022: 62 Mn) has been (was) transferred to a separate bank account as per section 135 (6) of the Companies Act, 2013.

**(ii)** No political contribution was made for the financial year ended March 31, 2023 (March 31, 2022: Nil). Further, the Company has spent Rs. Nil Mn (March 31, 2022: Rs. 4 Mn) on Non-CSR projects during the year ended March 31, 2023.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
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## 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 frame work for the Group are accountable to the Board of Directors and Audit & Risk Management 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. 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, 2023 and March 31, 2022.

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.

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 Group's interest bearing financial instrument is at its fair value:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 (refer note 3 & 49) |
|---|---|---|
| **Variable rate instruments** | | |
| Long term borrowings (refer note 15) | 24,340 | 23,739 |
| Current maturities of long term borrowing (refer note 20) | 15,386 | 21,938 |
| **Total** | **39,726** | **45,677** |

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 44 Financial risk management objectives and policies (Contd..)

**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, 2023 | + 100 | (361) |
| | - 100 | 361 |
| For the year ended March 31, 2022 (refer note 3 & 49) | + 100 | (359) |
| | - 100 | 359 |

**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. 6 Mn (USD 0.07 Mn) included in trade payable as at March 31, 2023 (March 31, 2022: Rs. Nil* (USD 0.22 Mn)). The Group has not entered into any derivative arrangements during the year ended March 31, 2023.

*** Amount is less than 1 Mn**

**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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 44 Financial risk management objectives and policies (Contd..)

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 Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and due after 15/21/45 days from the date of invoice. The Group is entitled to demand interest, wherever applicable in case the customer does not pay within the due date. 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, 2023 | 30,150 | 59,622 | 15,680 | 105,452 | (56,766) | 48,686 |
| Trade receivables as at March 31, 2022 | 30,676 | 40,344 | 3,249 | 74,269 | (3,683) | 70,586 |

**Bank balances 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, 2023 and March 31, 2022 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.

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

| Particulars | As at March 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Less than 6 months | 6 to 12 months | 2-3 years | > 2 years | Total |
| Long term borrowings* | 39,726 | 43,980 | 10,861 | 7,008 | 16,619 | 9,492 | 43,980 |
| Short term borrowings** | 7,400 | 7,484 | 7,484 | - | - | - | 7,484 |
| Lease Liabilities | 144,723 | 212,926 | 17,564 | 13,924 | 26,396 | 155,042 | 212,926 |
| Trade payables | 21,219 | 21,219 | 21,219 | - | - | - | 21,219 |
| Other financial liabilities # | 15,416 | 17,159 | 11,592 | - | - | 5,567 | 17,159 |
| **Total** | **228,484** | **302,768** | **68,721** | **20,932** | **43,015** | **170,101** | **302,768** |

*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 and excludes current maturities of long term borrowings.

# Include both non-current and current financial liabilities.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 44 Financial risk management objectives and policies (Contd..)

| Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | Total |
| 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 | 21,293 | 21,293 | 21,293 | - | - | - | 21,293 |
| Other financial liabilities # | 12,218 | 13,893 | 8,816 | 15 | 295 | 4,767 | 13,893 |
| **Total** | **230,771** | **303,336** | **69,812** | **25,046** | **42,957** | **165,521** | **303,336** |

*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 and excludes current maturities of long term borrowings.

# Include both non-current and current financial liabilities.

**Collateral**

The Group does not have any secured loan as at March 31, 2023 and March 31, 2022.

- 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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Total borrowings | 47,126 | 54,868 |
| Less: Investments | (2,756) | (16,521) |
| Less: Cash and cash equivalents | (224) | (9,802) |
| **Net debt** | **44,146** | **28,545** |
| **Total equity** | **211,095** | **221,505** |
| **Gearing ratio** | **20.91%** | **12.89%** |

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, 2023.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

**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, 2023 is Nil (March 31, 2022 : Nil).

**46** 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.

**47** A large customer of the Group accounts for substantial part of revenue from operations for the year ended March 31, 2023 and constitutes a significant part of outstanding trade receivables and unbilled revenue as at March 31, 2023.

(a) The said customer in its latest published unaudited financial results for the quarter and nine months ended December 31, 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 for settling its liabilities as they fall due. The said customer had also disclosed in the aforesaid results that so far it has met all debt obligations to its lenders / banks and financial institutions along with applicable interest till date.

During the quarter ended March 31, 2023, the said customer in its recent filing with Stock Exchanges informed that it has allotted 16,133,184,899 equity shares of face value of Rs. 10/- each at an issue price of Rs. 10/- per equity share aggregating to Rs. 161,331 Mn to the Department of Investment and Public Asset Management, Government of India (acting through President of India) on account of conversion the Net Present Value of the interest amount related to deferment of spectrum auction instalments and AGR dues.

(b) The Group, subject to the terms and conditions agreed between the parties, has a secondary pledge over the remaining shares held by one of the customer's promoters in the Group 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. However, these securities are not adequate to cover the total outstanding with the said customer.

(c) During the quarter ended June 30, 2022 through the quarter ended September 30, 2022, the said customer had informed the Group that a funding plan was under discussion with its lenders and it had agreed to a payment plan with the Group 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 Group against the outstanding trade receivables. As regards, the dues outstanding as at December 31, 2022, the customer had agreed to pay the dues between January 2023 and July 2023.

(d) During the last quarter of the financial year, the funding plan of the said customer did not materialize and the said customer indicated challenges in making the committed payments pertaining to the outstanding amount due as at December 31, 2022. However, the said customer has been paying an amount equivalent to monthly billing from January 2023, hence, the Group continues to recognize revenue from operations relating to the said customer for the services rendered.

Further, the Group had assessed the recoverability of amounts receivable from said customer and recorded necessary allowances as at December 31, 2022 which covers all the overdue outstanding till December 31, 2022. The incremental provision recorded during the quarter ended March 31, 2023 was Rs. 434 Mn and the Group carries an allowance for doubtful receivables of Rs. 54,533 Mn as at March 31, 2023 relating to the said customer.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 47 (Contd..)

(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 year, the Company had recorded an impairment charge relating to the revenue equalization assets of Rs. 4,928 Mn up to September 30, 2022 for the said customer and presented it as an exceptional item in the consolidated statement of profit and loss. Further, the revenue amounting to Rs. 1,433 Mn on account of straight lining of lease rentals is not recognized in the revenue from operations due to uncertainty of collection.

(f) It may be noted that the potential loss of the said customer (whose statutory auditors have reported material uncertainty related to going concern in its report on latest published unaudited results) due to its inability 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 and amounts receivable (including unbilled revenue) and carrying amount of property, plant and equipment related to the said customer.

**48** 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.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# 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 Standalone Balance Sheet as at March 31, 2023 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 March 31, 2023, its profit, its total comprehensive income, its changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 at one of the largest customers of the Company and its consequential impact on Company's business operations**

We draw attention to note 48 of the standalone financial statements, which describes the impact on business operations, receivables, property, plant and equipment and financial position of the Company 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 the said customer needs to settle its liabilities as they fall due.

Our opinion is not modified in respect of the 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.

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition – accuracy of revenue recorded**<br>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.<br><br>Further, the Company has multiple reconciliation matters with their customers and the Company uses significant estimates and judgements to assess the adequacy of any uncertainty involved with respect to potential reversal of revenue in future.<br><br>(Refer to notes 4.1(i) and 24 to the standalone financial statements) | **Principal audit procedures performed:**<br>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over:<br>• Capturing and recording of revenue transactions;<br>• Authorisation of rate changes and input of the rate changes into the billing systems;<br>• Preparation and validation of the billing schedule;<br>• Calculations of amounts billed to operators, in line with underlying supporting documents; and<br>• Assessment of adequacy of revenue reversals.<br><br>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.<br><br>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.<br><br>We challenged management estimates around appropriateness of revenue recognition and reversals of revenue in future on account of uncertainty by examining empirical data and historical trend of negotiation patterns with the customers. |
| 2 | **Recognition of revenue and recoverability of receivables from one of largest customers of the Company ("the Customer")**<br><br>The Customer accounts for substantial part of revenue from operations for the year ended March 31, 2023 and constitutes a significant part of outstanding trade receivables and unbilled revenue as at March 31, 2023.<br><br>The Customer in its published unaudited financial results for the quarter and nine months ended December 31, 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 that the said customer needs to settle its liabilities as they fall due.<br><br>The matter has been identified as key audit matter due to the significance of matter and involvement of significant judgements and estimation around appropriateness of revenue to be recognized by the Company for services rendered to the Customer and assessment relating to the adequacy of allowances while evaluating the recoverability of receivables.<br><br>(Refer to note 48 to the standalone financial statements and emphasis of matter paragraph included above) | **Principal audit procedures performed:**<br><br>We tested the design and implementation and operating effectiveness for internal controls around:<br>• assessment of recognition of revenue (including unbilled revenue) from the Customer; and<br>• evaluation relating to the adequacy of allowances while assessing the recoverability of receivables from the Customer.<br><br>We challenged management judgements and estimation around the uncertainties involved in ultimate collectability of revenue (including unbilled revenue) from the customer and appropriateness of revenue recognised by the Company.<br><br>We challenged the adequacy of allowances while assessing the recoverability of receivables from the Customer considering the latest developments, public information on funding plan, financial results, public news related to the Customer and the various correspondences made with the Customer during the year.<br><br>We obtained the copy of payment plans agreed with the Customer and evaluated the collection patterns over revenue recognised to assess whether collections have been received as per the agreed plan. |

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 3 | **Contingent Liabilities and Provisions: Disputed tax matters**<br><br>The Company is subjected to a number of significant income tax litigations and indirect tax litigations ("litigations") which are in appeal before various judicial forums.<br><br>The eventual outcome of these litigations is 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.<br><br>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.<br><br>(Refer to notes 4.1(p)(ii) and 36(b) to the standalone financial statements) | **Principal audit procedures performed:**<br><br>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.<br><br>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 litigations.<br><br>We involved our internal direct and indirect tax specialists, 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.<br><br>We also assessed the adequacy and appropriateness of the disclosures made by the management in the notes to the standalone financial statements. |

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Business Responsibility and Sustainability Report, Management Discussion and Analysis Report, Board's Report including Annexures to the Board's Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports 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 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.

## Responsibilities of Management and Those Charged with Governance 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/loss, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 financial 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income/loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to the standalone financial statements.

   g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the 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 on its financial position in its standalone financial statements. Refer note 36(b) of 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 of 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 of the standalone financial statements.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 49 of the standalone financial statements.

      (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 49 of the standalone financial statements.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year. Refer note 13b of the standalone financial statements relating to interim dividend for the previous year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 as amended is not applicable for the financial year ended March 31, 2023.

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)

**Anup Kumar Sharma**
(Partner)
(Membership No. 063828)
(UDIN: 23063828BGXOWH1922)

Place: Gurugram
Date: April 26, 2023

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone financial statements of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Company") as at March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company as at and 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 with reference to the standalone financial statements based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

## Meaning of Internal Financial Controls with reference to the financial statements

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

## Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to the standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Anup Kumar Sharma**
(Partner)
(Membership No. 063828)
(UDIN: 23063828BGXOWH1922)

Place: Gurugram
Date: April 26, 2023

# ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Indus Towers Limited (formerly Bharti Infratel Limited))**

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, 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 title deed/conveyance deed provided to us, we report that the title deeds of all the immovable properties disclosed in the standalone financial statements included in property, plant equipment, other than those that have been taken on lease, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the standalone financial statements as Right of use assets as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(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 March 31, 2023 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, the Company has not obtained 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 order is not applicable.

(iii) (b) The Company has granted unsecured loans (excluding loans to employees) during the year and details of which are given below:

**(Rs. In million)**

| Particulars | Loans |
|---|---|
| Aggregate amount granted / provided during the year | |
| - Wholly owned subsidiary | 46 |
| - Controlled Trust (Indus Towers Employees Welfare Trust) | 75 |
| Balance outstanding as at balance sheet date in respect of above cases:* | |
| - Wholly owned subsidiary | 104 |
| - Controlled Trust (Indus Towers Employees Welfare Trust) | 140 |

* The amounts reported are at gross amounts, without considering provisions made.

The Company has not made any investments and not provided any guarantee or security and advances in the nature of loan to any other entity during the year

(b) The term and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion (considering the subsidiary is wholly owned by the Company and Controlled Trust), prima facie, not prejudicial to the Company's interest.

(c) The Company has granted loans to its wholly owned subsidiary which are repayable on demand. During the year the Company has not demanded such loans. Having regard to the fact that the repayment of principal (interest free loans) has not been demanded by the Company, in our opinion the principal amount is not due and is considered regular (Refer reporting under clause (iii)(f) below). Further, loans granted to Controlled Trust are in relation to employees stock option plan (Refer note 34 of the standalone financial statements).

(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, details of which are given below:

**(Rs. In million)**

| Particulars | Related Parties* |
|---|---|
| Aggregate of loans | |
| - Repayable on demand | 104 |
| Percentage of loans to the total loans | 43% |

* The amounts reported are at gross amounts, without considering provisions made.

(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. We have been informed that the provisions of the Sales Tax, Service Tax, Duty of Excise, Custom Duty and Value Added Tax are not applicable to the Company.

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, 2023 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 at March 31, 2023, on account of disputes are given below:

| Name of Statute | Nature of dues | Period to which the amount relates | Forum where dispute is pending | Amount unpaid (Rs. in million) |
|---|---|---|---|---|
| Indian Stamp Act, 1899 | Stamp Duty | FY 2017-18 | District Court Patiala House, New Delhi | 9 |
| Indian Stamp Act, 1899 | Stamp Duty | FY 2014-15 | Rajasthan High Court, Jaipur | 25 |
| Indian Stamp Act, 1899 | Stamp Duty | FY 2007-08 | Chief Controlling Revenue Authority, Allahabad | * |
| Indian Stamp Act, 1899 | Stamp Duty | FY 2005-06 | Bombay High Court | 121 |
| Indian Stamp Act, 1899 | Stamp Duty | FY 2013-14 | Allahabad High Court | * |
| **Sub Total (A)** | | | | **155** |

| Name of Statute | Nature of dues | Period to which the amount relates | Forum where dispute is pending | Amount unpaid (Rs. in million) |
|---|---|---|---|---|
| Assam Entry Tax Act, Jammu and Kashmir Entry Tax Act, Madhya Pradesh Entry Tax Act, Himachal Pradesh Entry Tax Act, Orissa Entry Tax Act, Rajasthan Entry Tax Act and Nagaland Entry Tax Act | Entry Tax | From FY 2007-08 to FY 2015-16 | Hon'ble High Court | 349 |
| Bihar Entry Tax Act, Madhya Pradesh Entry Tax | Entry Tax | FY 2014-15 and FY 16-17 | Additional Commissioner Commercial Tax | 51 |
| Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act | Entry Tax | FY 2007-08 to FY 2012-13 | Tribunal | 66 |
| Assam Entry Tax Act | Entry Tax | FY 2014-15 | Assistant Commissioner of Taxes | * |
| Uttar Pradesh Entry Tax Act | Entry Tax | FY 2008-09 and FY 2009-10 | Deputy Commissioner | * |
| **Sub Total (B)** | | | | **466** |
| West Bengal GST Act | Shortfall in GST | FY 2018-19 | Add. Commissioner of Revenue, Govt. of West Bengal | 860 |
| Bihar Goods and Service Tax Act | Disallowance of ITC | FY 2017-18 to FY 2018-19 | Tribunal | 873 |
| Bihar Goods and Service Tax Act | Disallowance of ITC | FY 2019-20 | Add. Commissioner State-Tax, Patliputra Circle | 295 |
| The Central Sales Tax Act, 1956, Gujarat | Non submission of C forms and F Forms | FY 2014-15 to FY 2017-18 | Appellate Authority | 133 |
| The Central Sales Tax Act, 1956, Tamil Nadu | Non submission of C forms and F Forms | FY 2012-13 | Assistant Commissioner | 9 |
| The Central Sales Tax Act, 1956, Kerala | Non-submission of "C" Forms and Deemed Sales matter | FY 2014-15 to FY 2017-18 | Joint Commissioner (Appeals) | 14 |
| The Central Sales Tax Act, 1956, Punjab, Haryana, Jharkhand, Madhya Pradesh & UP | Non-submission of statutory forms | FY 2012-13 to FY 2016-17 | Respective sales tax authorities | 8 |
| Kerala VAT | VAT | FY 2014-15 | Joint Commissioner (Appeals) | 75 |
| Kerala VAT | VAT | FY 2015-16 and FY 2016-17 | Joint Commissioner (Appeals) | 28 |
| Kerala VAT | VAT | FY 2008-09 | DC(A) | * |
| Arunachal Pradesh VAT | VAT | FY 2015-16 | Appellate Authority | * |
| Uttar Pradesh, Chhattisgarh & Jharkhand VAT | VAT | FY 2008-09, FY 2010-11, FY 2011-12 FY 2016-17 and FY 2017-18 | Respective sales tax authorities | 1 |
| Bihar Value Added Tax Act, 2005 | VAT | FY 2014-15 | Joint Commissioner | * |
| The Gujarat Value Added Tax, 2003 | VAT on service Revenue | FY 2011-12 to FY 2014-15 | Hon'ble Supreme Court of India | 4,525 |
| The Gujarat Value Added Tax, 2003 | VAT on service Revenue | FY 2014-15 to FY 2017-18 | Appellate Authority | 14,133 |
| **Sub Total (C)** | | | | **20,954** |

| Name of Statute | Nature of dues | Period to which the amount relates | Forum where dispute is pending | Amount unpaid (Rs. in million) |
|---|---|---|---|---|
| U P Zila Panchayat Adhiniyam | Alleged Dues for recurring license fee on operation of mobile towers in the jurisdiction of Lalitpur Zila Panchayat | FY 2017-18 | Allahabad High Court | 1 |
| Uttar Pradesh Municipal Corporation Act, 1959 | License Fees | FY 2019-20 | Allahabad High Court | 534 |
| Telecom Policy dt. 06.02.2017 | MC Fee Payment | FY 2010-11 to FY 2021-2022 | Jaipur Municipal Corporation (Greater), Jaipur | 38 |
| Karnataka Municipal Corporation Act, 1976 | Municipal Tax | FY 2015-16 to FY 2022-23 | High Court of Karnataka | 2 |
| Karnataka Panchayat Raj (2nd Amendment) Act, 2015 | Municipal Tax | FY 2015-16 to FY 2022-23 | High Court of Karnataka | 100 |
| The Maharashtra Land Revenue Code, 1966 (MLRC) | Non-Agricultural Tax/ Penalty | FY 2008-09 to FY 2021-22 | Bombay High Court | 363 |
| 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 | FY 2008-09 to FY 2021-22 | Different Concerned Local Authorities of Maharashtra | 1,435 |
| Maharashtra Municipal Council | Penalty/Interest for alleged unauthorized construction of towers | FY 2015-16 to FY 2021-22 | District Court | * |
| Maharashtra Municipal Corporation Act, 1949 (MMC) | Penalty/Interest for alleged unauthorized construction of towers | FY 2008-09 to FY 2021-22 | Bombay High Court | 6,052 |
| Maharashtra Municipal Corporation Act, 1949 (MMC) | Penalty/Interest for alleged unauthorized construction of towers | FY 2010-11 to FY 2021-22 | Panvel Municipal Corporation | 20 |
| Bombay Municipal Corporation, 2015 | Permission fee | FY 2010-11 to FY 21-22 | Bombay High Court | 203 |
| Office Order dated 14/12/2018 passed by MBMC | Permission fee | FY 2010-11 to FY 21-22 | Bombay High Court | 22 |
| AP Municipal Corporation Act, 1994 | Property tax | FY 2012-13 | High Court of Telangana | 1 |
| Delhi Municipal Corporation Act, 1957 | Property tax | FY 2004-05 to FY 2012-13 | Delhi High Court | 266 |
| Gujarat Provincial Municipal Corporations Act, 1949 & Municipal Taxation Act, 1881 | Property Tax | FY 2013-14 to FY 2016-17 | Gujarat High Court | 199 |
| Gujarat Panchayat Act, 1993 & Gujarat Gram and Nagar Panchayat Taxes Rule | Property Tax | FY 2008-20 | Gujarat High Court | 14 |
| The Bombay Village Panchayat Act, 1958 (BVP) | Property Tax and Penalty/Interest | FY 2008-09 to FY 2021-22 | Bombay High Court | 374 |
| Gujarat Industrial Development Corporation Act | Property Tax, Sublet Charges, installation charges and Penalty | FY 2004-05 to FY 2022-23 | Gujarat High Court | 197 |
| Punjab Telecom policy dated 05.12.2013 | Tower Fees | FY 2015-16 | Punjab and Haryana High Court, Chandigarh | 5 |

| Name of Statute | Nature of dues | Period to which the amount relates | Forum where dispute is pending | Amount unpaid (Rs. in million) |
|---|---|---|---|---|
| Communication and Connectivity Infrastructure Policy (CCIP) - 2017 | Tower/Permission Fees | FY 2021-22 | Punjab and Haryana High Court, Chandigarh | 9 |
| Bihar Communication Towers and Related Structure Rules, 2012 (Rules 2012) | Towers Fees | FY 2014-15 to FY 2022-23 | Different Concerned Local Authorities of Bihar | 50 |
| **Sub Total (D)** | | | | **9,385** |
| The Finance Act, 1994 | Disallow Cenvat taken on input/capital good | FY 2014-15 to FY 2015-16 | The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh | 150 |
| The Finance Act, 1994 | Service Tax on Capital Goods | FY 2007-08 to FY 2015-16 | Hon'ble Supreme Court of India | 35,392 |
| The Finance Act, 1994 | Service Tax on sale of Capital Goods | FY 2015-16 to FY 2017-18 | The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh | 1,032 |
| The Finance Act, 1994 | Service Tax on Service Revenue | FY 2009-10 to FY 2017-18 | The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh | 2,463 |
| **Sub Total (E)** | | | | **39,037** |
| The Income Tax Act, 1961 | Income Tax | FY 2009-10 to 2013-14 and FY 2015-16 to FY 2017-18 | CIT(A)-31 | 34,578 |
| The Income Tax Act, 1961 | Income Tax | FY 2016-17 to FY 2018-19 | National Faceless Appeal Authority and ITAT | 331 |
| The Income Tax Act, 1961 | Income Tax | FY 2019-20 | High Court | 1091 |
| The Income Tax Act, 1961 | Income Tax | FY 2020-21 | High Court | 11,544 |
| **Sub Total (F)** | | | | **47,544** |
| **Grand Total (A+B+C+D+E+F)** | | | | **117,541** |

*The above- mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of the Service Tax is Rs. 3,040 million, Income Tax is Rs. 3,040 million, VAT is Rs. 15 million, Entry Tax is Rs. 673 million, CST is Rs. 9 million, GST is Rs. 254 million and Municipal Tax/ property tax/ stamp duty is Rs. 463 million.*

** - Less than Rs. 1 Million*

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (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. According to the information and explanations given to us, the Company has issued non-convertible debentures during the year by way of private placement.

(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. According to the information and explanations given to us, the Company has issued non-convertible debentures during the year by way of private placement.

(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 sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) 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 covering specific processes and periods scoped in for internal audit as per internal audit plan in the financial year ended on March 31, 2023.

(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 group. There are 3 CICs 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 at 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)

**Anup Kumar Sharma**
(Partner)
(Membership No. 063828)
(UDIN: 23063828BGXOWH1922)

Place: Gurugram
Date: April 26, 2023

# Standalone Balance Sheet

as at March 31, 2023

(Amounts in millions of Indian Rupees)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 (a) | 211,636 | 208,600 |
| Right of use assets | 5 (b) | 111,882 | 109,210 |
| Capital work-in-progress | 5 (a) | 3,543 | 1,774 |
| Intangible assets | 5 (a) | 211 | 332 |
| Financial assets | | | |
| Investments | 6 | 150 | 150 |
| Other financial assets | 7 | 11,856 | 11,095 |
| Income tax assets (net) | | 7,247 | 6,838 |
| Deferred tax assets (net) | 8 | 12,218 | - |
| Other non-current assets | 9 | 19,998 | 18,618 |
| | | **378,741** | **356,617** |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 6 | 2,756 | 16,521 |
| Trade receivables | 10 | 48,687 | 70,582 |
| Cash and cash equivalents | 11 | 218 | 9,800 |
| Other financial assets | 7 | 32,518 | 23,754 |
| Other current assets | 12 | 3,031 | 2,611 |
| | | **87,210** | **123,268** |
| **Total assets** | | **465,951** | **479,885** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 26,949 | 26,949 |
| Other equity | 14 | 184,398 | 194,806 |
| | | **211,347** | **221,755** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 24,339 | 23,739 |
| Lease liabilities | 16 | 124,206 | 120,877 |
| Other financial liabilities | 17 | 3,824 | 5,708 |
| Provisions | 18 | 18,738 | 17,198 |
| Deferred tax liabilities (net) | 8 | - | 922 |
| Other non-current liabilities | 19 | 1,893 | 1,462 |
| | | **173,000** | **169,906** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 20 | 22,786 | 31,129 |
| Lease liabilities | 16 | 20,517 | 21,515 |
| Trade payables | 21 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 492 | 520 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 20,704 | 20,730 |
| Other financial liabilities | 22 | 11,592 | 6,510 |
| Other current liabilities | 23 | 4,171 | 5,161 |
| Provisions | 18 | 676 | 535 |
| Current tax liabilities (net) | | 666 | 2,124 |
| | | **81,604** | **88,224** |
| **Total liabilities** | | **254,604** | **258,130** |
| **Total equity and liabilities** | | **465,951** | **479,885** |

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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

Place: Gurugram
Date: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

| Particulars | Note | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 24 | 283,818 | 277,082 |
| Other income | 25 | 3,612 | 3,525 |
| **Total income** | | **287,430** | **280,607** |
| **Expenses** | | | |
| Power and fuel | 26 | 105,908 | 102,653 |
| Employee benefit expenses | 27 | 7,741 | 7,722 |
| Repairs and maintenance | 28 | 13,505 | 13,467 |
| Other expenses | 29 | 58,990 | 3,935 |
| **Total expenses** | | **186,144** | **127,777** |
| **Profit before depreciation and amortisation, finance costs, finance income, charity and donation, exceptional item and tax** | | **101,286** | **152,830** |
| Depreciation and amortisation expenses | 30 | 54,386 | 54,173 |
| Less: adjusted with General Reserve in accordance with the Scheme of arrangement (refer note 42) | 30 | (1,171) | (970) |
| | | **53,215** | **53,203** |
| Finance costs | 31 | 16,704 | 16,022 |
| Finance income | 31 | (2,165) | (1,060) |
| Charity and donation | 43 | 984 | 422 |
| **Profit/(Loss) before exceptional item and tax** | | **32,548** | **84,243** |
| Exceptional item (refer note 48(e)) | | 4,928 | - |
| **Profit/(Loss) before tax** | | **27,620** | **84,243** |
| **Tax expense** | | **7,187** | **20,572** |
| Current tax | 8 | 20,325 | 20,373 |
| Deferred tax | 8 | (13,138) | 199 |
| **Profit/(Loss) for the year** | | **20,433** | **63,671** |
| **Other comprehensive income ('OCI')** | | | |
| **Items that will not be re-classified to profit or loss** | | | |
| Remeasurements gains/(losses) of defined benefit plans (net of tax) | | (8) | 36 |
| **Other comprehensive income/(loss) for the year, net of tax** | | **(8)** | **36** |
| **Total comprehensive income/(loss) for the year, net of tax** | | **20,425** | **63,707** |
| **Earnings per equity share (Nominal value of share is Rs. 10 each)** | | | |
| Basic | 32 | 7.58 | 23.63 |
| Diluted | 32 | 7.58 | 23.63 |

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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

Place: Gurugram
Date: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(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) |
|---|---|---|
| **As at April 1, 2021** | **2,694,937** | **26,949** |
| Changes during the year | - | - |
| **As at March 31, 2022** | **2,694,937** | **26,949** |
| **As at April 1, 2022** | **2,694,937** | **26,949** |
| Changes during the year | - | - |
| **As at March 31, 2023** | **2,694,937** | **26,949** |

## 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 | Retained earnings | | |
| **As at April 1, 2021** | **48,829** | **41** | **72,072** | **4,536** | **(47,982)** | **471** | **54,168** | **(111)** | **132,024** |
| Profit for the year | - | - | - | - | - | - | 63,671 | - | 63,671 |
| Other comprehensive income | - | - | - | - | - | - | - | 36 | 36 |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **63,671** | **36** | **63,707** |
| Gross compensation for options exercised during the year | - | (33) | - | - | - | - | - | - | (33) |
| Amount transferred to statement of profit and loss during the period in accordance with the Scheme of arrangement (refer note 42) | - | - | (970) | - | - | - | - | - | (970) |
| Amount transferred to stock options outstanding during the vesting period | - | 90 | - | - | - | - | - | - | 90 |
| Premium on exercise of ESOPs * | - | - | (12) | - | - | - | - | - | (12) |
| **As at March 31, 2022** | **48,829** | **98** | **71,090** | **4,536** | **(47,982)** | **471** | **117,839** | **(75)** | **194,806** |

# Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(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 | Share based payment reserve | General reserve | Capital reserve | Merger capital reserve | Capital Redemption Reserve | Retained earnings | | |
| **As at April 1, 2022** | **48,829** | **98** | **71,090** | **4,536** | **(47,982)** | **471** | **117,839** | **(75)** | **194,806** |
| Profit for the year | - | - | - | - | - | - | 20,433 | - | 20,433 |
| Other comprehensive income | - | - | - | - | - | - | - | (8) | (8) |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **20,433** | **(8)** | **20,425** |
| Gross compensation for options exercised during the year | - | (58) | - | - | - | - | - | - | (58) |
| Amount transferred to statement of profit and loss during the period in accordance with the Scheme of arrangement (refer note 42) | - | - | (1,171) | - | - | - | - | - | (1,171) |
| Amount transferred to stock options outstanding during the vesting period | - | 78 | - | - | - | - | - | - | 78 |
| Premium on exercise of ESOPs * | - | - | (38) | - | - | - | - | - | (38) |
| Dividend on equity shares | - | - | - | - | - | - | (29,644) | - | (29,644) |
| **As at March 31, 2023** | **48,829** | **118** | **69,881** | **4,536** | **(47,982)** | **471** | **108,628** | **(83)** | **184,398** |

* 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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

Place: Gurugram
Date: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Standalone Statement of Cash Flows

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 27,620 | 84,243 |
| **Adjustments for** | | |
| Depreciation and amortization expenses | 53,215 | 53,203 |
| Finance income | (830) | (1,060) |
| Finance costs | 16,704 | 16,022 |
| Profit on sale of property, plant and equipment | (2,614) | (2,551) |
| Allowances for doubtful receivables and advances (net) | 53,075 | (1,177) |
| Exceptional item {refer note 48(e)} | 4,928 | - |
| Revenue equalisation | (6,165) | (3,439) |
| Others | (643) | (1,138) |
| **Operating profit before changes in assets and liabilities** | **145,290** | **144,103** |
| Decrease/(Increase) in other financial assets | (9,499) | 5,443 |
| Decrease/(Increase) in other assets | (490) | 2,528 |
| Decrease/(Increase) in trade receivables | (31,186) | (30,981) |
| Increase/(Decrease) in other financial liabilities | (2,208) | (110) |
| Increase/(Decrease) in provisions | 51 | 362 |
| Increase/(Decrease) in other liabilities | (286) | (554) |
| Increase/(Decrease) in trade payables | (413) | (10,541) |
| **Cash generated from operations** | **101,259** | **110,250** |
| Income tax paid (net of refunds) | (22,192) | (19,126) |
| **Net cash flow from / (used in) operating activities (A)** | **79,067** | **91,124** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant & equipment, intangible assets and capital work-in-progress (net) | (36,224) | (32,885) |
| Proceeds from sale of property, plant & equipment | 4,545 | 4,154 |
| Investment in mutual funds | (195,040) | (1,05,535) |
| Proceeds from sale of mutual funds | 208,864 | 1,11,926 |
| Loan given to trust | (75) | (154) |
| Interest received | 578 | 585 |
| Loan (given)/received back (to)/from subsidiary (net) | (21) | 109 |
| Others | (17) | (16) |
| **Net cash flow from / (used in) investing activities (B)** | **(17,390)** | **(21,816)** |

# Standalone Statement of Cash Flows

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | 129,315 | 162,422 |
| Repayment of borrowings | (136,985) | (189,144) |
| Dividend paid | (29,644) | - |
| Interest paid | (3,667) | (4,417) |
| Repayment of lease liabilities (including interest) | (30,278) | (28,497) |
| **Net cash flow from / (used in) financing activities (C)** | **(71,259)** | **(59,636)** |
| **Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)** | **(9,582)** | **9,672** |
| Cash and cash equivalents at the beginning of the year | 9,800 | 128 |
| **Cash and cash equivalents at the end of the year (refer note 11)** | **218** | **9,800** |

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**

**Anup Kumar Sharma**
Partner
Membership No: 063828

**Ravinder Takkar**
Director
DIN: 01719511

**Harjeet Singh Kohli**
Director
DIN: 07575784

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

Place: Gurugram
Date: April 26, 2023

**Vikas Poddar**
Chief Financial Officer

**Samridhi Rodhe**
Company Secretary

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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 is situated at Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana.

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.

Upon implementation of the Scheme and allotment of shares to indirect wholly owned subsidiaries of Vodafone Group Pie., 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 year, Nettle Infrastructure Investments Limited merged with its holding company, Bharti Airtel Limited. Accordingly, as on March 31, 2023, Bharti Airtel Limited held 47.95% shares and Vodafone Group Plc. through its indirect wholly owned subsidiary companies held 21.05% shares in the Company.

### 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 the Companies (Indian Accounting Standards) Rules, 2015 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.

The financial statements are approved for issuance by the Company's Board of Directors on April 26, 2023.

## 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 Company had received requisite regulatory approvals and the merger become effective on November 19, 2020 (i.e. the effective date of merger) on filing the certified copy of the NCLT order with the Registrar of Companies. 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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

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 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 merger of erstwhile Indus with the Company has been accounted as per 'Pooling of interest' method and accordingly, all the assets, liabilities and reserves of erstwhile Indus have been recorded at their carrying amounts and the identity of the reserves (of the transferor) shall be preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

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.

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 11(a) for details of BAL scheme). 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 held for use in production or/and supply of goods or services, or for administrative purposes, are 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. The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, and directly attributable cost of bringing the assets to its working condition and location. 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.

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(e) regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

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. Depreciation on property, plant and equipment starts when asset is available for use. 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, depreciation method 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 recoverable amount. An asset's recoverable

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

**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 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 has elected not to recognize ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company has elected 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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
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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 by an independent valuer 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 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### 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)

# Notes to Standalone Financial Statements

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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.

**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 does not have any debt instrument which is required to be classified in 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 does not have any debt instrument which is required to be classified in this category.

**Equity investments measured at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI)**

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.

# Notes to Standalone Financial Statements

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**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, 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. The Company does not have any financial liability which is required to be classified in this category.

# Notes to Standalone Financial Statements

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#### 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 the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The Company has not reclassified any financial assets or liabilities after initial recognition.

#### 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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price adjusted with variable consideration, if any allocated to that performance obligation. Revenue also excludes taxes collected from the customers.

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.

# Notes to Standalone Financial Statements

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**Service revenue**

Service revenue includes rental revenue for use of sites, recoveries of rates and taxes (e.g. municipal taxes relating to the 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.

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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

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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 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.

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 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.

Current tax assets and current tax liabilities are off-set against each other and the resultant net amount is presented in the balance sheet where the Company has a legally enforceable right to set off the recognized amounts and where the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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.

# Notes to Standalone Financial Statements

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A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities and 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 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.

Further, the Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The Company reflects the effect of uncertain tax positions in the overall measurement of tax expense and are based on the most likely amount or the expected value arrived at by the Company which provides a better prediction of the resolution of uncertainty.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial precedent.

### 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

# Notes to Standalone Financial Statements

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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 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 on the basis of present value of the defined benefit obligation as the Company does not have any plan asset.

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 employee benefit expenses.

## 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.

# Notes to Standalone Financial Statements

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**(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.

**(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 adjusted for the effect of 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,

# Notes to Standalone Financial Statements

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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.

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). The Company does not have any such items to be measured at fair value.

## 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) Investment in subsidiaries

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

#### v) Exceptional items

Exceptional items include items of income or expense that are considered to be part of Company's ordinary activities which are non-recurring. However, these items are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner, facilitate comparison with comparative periods and assess underlying trends in the financial performance of the Company.

#### w) Non-GAAP measure of financial performance

Profit before depreciation and amortization, finance cost, finance income, charity and donation, exceptional items 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.

**Key sources of estimation uncertainties and critical judgements**

The management is applying judgements in the process of finalizing the Company's accounting policies and critical estimates. 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.

### 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.

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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

### b) Impairment of non-financial assets

**Refer note 4.1(c)** for accounting policy on impairment of non- financial assets.

The carrying amounts of the Company 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, the Company estimates the recoverable amount.

There is no indicator which triggers impairment of cash-generating unit ('CGU') of the Company on the reporting date. However, the Company has assessed impairment at asset level wherever necessary and if applicable it has recognised impairment charge in the standalone statement of profit and loss.

### 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 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.

### d) Allowances for doubtful 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 / nil 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.

During the year ended March 31, 2023, the Company has revised the expected credit loss policy in case of one of the Customer of the Company from 90 days past due to immediate overdue and has taken the additional impact in the Statement of Profit and Loss for the year ended March 31, 2023 (refer note 48).

### 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) Revenue recognition

**Refer note 4.1(i)** for judgements and estimates on revenue recognition.

### g) Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgement is also required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

h) Provisions and Contingent Liabilities

The Company has ongoing litigations with various regulatory authorities and third parties that arise in the ordinary course of business, the outcome of which is inherently uncertain. The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information.

i) Employee benefits

The cost of the defined benefit plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on half yearly basis.

## 4.3 Recent accounting pronouncements

The 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 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are applicable for annual reporting periods beginning from April 01, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

This amendment require companies to disclose their material accounting policies information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect to have any significant impact in its financial statements due to this amendment.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The Company does not expect to have any significant impact in its financial statements due to this amendment.

**Ind AS 12 – Income Taxes**

The amendment has narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect to have any significant impact in its financial statements due to this amendment.

**Other amendments**

Other amendments include amendments in Ind AS 102, Share-based Payments, Ind AS 103, Business Combination, Ind AS 109, Financial Instruments, Ind AS 115, Revenue from Contract with Customers, are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its financial statements due to these amendments.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 5 (a) Property plant and equipment, Capital work-in-progress and Intangible assets

| Particulars | Land | Plant and equipment | Office furniture and equipment | Computers | Leasehold improvements | Total property plant and equipment | Capital work-in-progress | Intangible assets# |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | |
| **As at April 1, 2021** | **4** | **558,900** | **785** | **1,869** | **1,194** | **562,752** | **2,711** | **2,747** |
| Additions | - | 29,614 | 2 | 94 | 7 | 29,717 | 28,690 | 506 |
| Disposals/adjustments | - | (20,647) | (58) | (76) | (89) | (20,870) | (29,627) | - |
| **As at March 31, 2022** | **4** | **567,867** | **729** | **1,887** | **1,112** | **571,599** | **1,774** | **3,253** |
| Additions | - | 39,121 | 74 | 159 | 2 | 39,356 | 40,890 | 83 |
| Disposals/adjustments | - | (19,475) | (23) | (43) | - | (19,541) | (39,121) | - |
| **As at March 31, 2023** | **4** | **587,513** | **780** | **2,003** | **1,114** | **591,414** | **3,543** | **3,336** |
| **Accumulated depreciation/ amortisation** | | | | | | | | |
| **As at April 1, 2021** | **-** | **343,514** | **735** | **1,736** | **1,095** | **347,080** | **-** | **2,696** |
| Charge for the year | - | 34,915 | 12 | 115 | 50 | 35,092 | - | 225 |
| Disposals/adjustments | - | (18,976) | (44) | (74) | (79) | (19,173) | - | - |
| **As at March 31, 2022** | **-** | **359,453** | **703** | **1,777** | **1,066** | **362,999** | **-** | **2,921** |
| Charge for the year | - | 34,053 | 57 | 141 | 22 | 34,273 | - | 204 |
| Disposals/adjustments | - | (17,434) | (24) | (36) | - | (17,494) | - | - |
| **As at March 31, 2023** | **-** | **376,072** | **736** | **1,882** | **1,088** | **379,778** | **-** | **3,125** |
| **Net carrying value** | | | | | | | | |
| **As at March 31, 2022** | **4** | **208,414** | **26** | **110** | **46** | **208,600** | **1,774** | **332** |
| **As at March 31, 2023** | **4** | **211,441** | **44** | **121** | **26** | **211,636** | **3,543** | **211** |

# Intangible assets include Computer software.

(i) Plant and equipment comprise of assets given on operating lease.

(ii) Depreciation charge for the year includes Rs. 2,575 Mn (FY 2021-22 - Rs. 1,767 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposals/adjustments include 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:

**As at March 31, 2023**

| 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 | 3,420 | - | - | - | 3,420 |
| Projects temporarily suspended | 123 | - | - | - | 123 |
| **Total** | **3,543** | **-** | **-** | **-** | **3,543** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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 | |
| Projects in progress | 1,690 | - | - | - | 1,690 |
| Projects temporarily suspended | 84 | - | - | - | 84 |
| **Total** | **1,774** | **-** | **-** | **-** | **1,774** |

Further, there are no material capital-work-in progress for 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, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **109,210** | **101,978** |
| Additions for the year | 27,510 | 31,515 |
| Disposals for the year | (4,929) | (5,427) |
| Depreciation for the year | (19,909) | (18,856) |
| **Balance at the end of the year** | **111,882** | **109,210** |

## 6 Investments (non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Investment in subsidiary (unquoted) at cost** | | |
| Smartx Services Limited: 15,000,000 (March 31, 2022 - 15,000,000) equity shares of Rs. 10 each fully paid up | 150 | 150 |
| **Total** | **150** | **150** |

**Investments (current)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Investments carried at fair value through profit or loss** | | |
| Mutual funds (quoted) | - | 13,653 |
| Government securities (quoted) | 2,756 | 2,868 |
| **Total** | **2,756** | **16,521** |
| Aggregate value of unquoted investments (cost) | 150 | 150 |
| Aggregate value of quoted investments (cost) | 2,890 | 16,540 |
| Aggregate market value of quoted investments | 2,756 | 16,521 |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 6 Investments (non-current) (Contd..)

**Information about subsidiary**

| Name of the Company | Country of incorporation | Principal activities | Proportion (%) of equity interest | |
|---|---|---|---|---|
| | | | As at March 31, 2023 | As at March 31, 2022 |
| Smartx Services Limited | India | Telecom infra and related services to telecom operators and business support services related to Smart City | 100% | 100% |

**Current investments**

Details of investments in mutual funds are provided below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| Axis Liquid Fund - Direct Growth | - | - | 1,163,479 | 2,751 |
| Aditya Birla Liquid Fund - Growth - Direct | - | - | 8,016,068 | 2,751 |
| HDFC Liquid - DP - Growth Option | - | - | 657,284 | 2,751 |
| Nippon India Overnight Fund - Direct Growth Plan | - | - | 23,228,111 | 2,650 |
| Tata Liquid Fund Direct Plan - Growth | - | - | 818,508 | 2,750 |
| **Total** | **-** | **-** | **33,883,450** | **13,653** |

Details of investments in government securities are provided below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| 7.68% Govt Stock 2023 | 27,500,000 | 2,756 | 27,500,000 | 2,868 |
| **Total** | **27,500,000** | **2,756** | **27,500,000** | **2,868** |

## 7 Other financial assets (Non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Security deposits** | | |
| Unsecured, considered good | 11,497 | 10,778 |
| Unsecured, considered doubtful | 897 | 1,106 |
| Less :- Allowances for doubtful deposits | (897) | (1,106) |
| | **11,497** | **10,778** |
| | | |
| Loans given - unsecured, considered good* (refer note 39) | 104 | 83 |
| Fixed deposits for more than one year # | 255 | 234 |
| **Total** | **11,856** | **11,095** |

*The Company has granted an interest free unsecured loan which is repayable within 90 days from the date of demand to its wholly owned subsidiary company "Smartx Services Limited" for its operations and capital expenditure requirements. The Company has not demanded the loan anytime 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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 7 Other financial assets (Non-current) (Contd..)

**Other financial assets (Current)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Unbilled revenue* | 32,065 | 23,320 |
| Interest accrued on investments and deposits | 434 | 414 |
| Other recoverable # | 19 | 20 |
| **Total** | **32,518** | **23,754** |

* 'Unbilled revenue' includes amount pertaining to related parties amounting to Rs. 28,428 Mn as at March 31, 2023 (March 31, 2022 - Rs. 21,610 Mn). For details refer note 39.

# 'Other recoverable' is net of allowances for other recoverable of Rs. Nil as at March 31, 2023 (March 31, 2022 - Rs. 6 Mn).

## 8 Taxes

### a) Income tax expense

#### i. Profit and loss

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Current tax | 20,325 | 20,373 |
| Deferred tax | (13,138) | 199 |
| **Income tax expense** | **7,187** | **20,572** |

Current tax expense includes tax charge of Rs. Nil (March 31, 2022 : Rs. 70 Mn) relating to earlier periods.

#### ii. Other comprehensive income/(loss)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Deferred tax on re-measurements of defined benefits plan | (3) | 12 |
| **Tax charged to other comprehensive income/(loss)** | **(3)** | **12** |

### 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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Profit before taxes | 27,620 | 84,243 |
| Enacted tax rate in India | 25.168% | 25.168% |
| **Computed tax expense** | **6,951** | **21,202** |
| **Increase/(reduction) in taxes on account of:** | | |
| Tax effect of long-term MTM loss/(gain) on investment | 15 | 10 |
| Tax effect of long term capital loss/(gain) on sale of investment | - | (668) |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 8 Taxes (Contd..)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Tax effect of disallowance on account of donation | 248 | 106 |
| Others | (27) | (78) |
| Income tax expense recorded in the statement of profit and loss | **7,187** | **20,572** |

The applicable Indian statutory tax rate for financial year 2022-23 and 2021-22 is 25.168%.

**c) Deferred tax liabilities/(assets)**

Movement in deferred tax assets and liabilities are as follows:

| Particulars | As at April 01, 2022 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax liability in relation to:** | | | | |
| Property, plant and equipment and intangible asset (excluding ARO) | 7,262 | 374 | - | 7,636 |
| Right of use assets | 27,300 | 657 | - | 27,957 |
| Revenue equalisation reserve | 3,288 | 311 | - | 3,599 |
| Security deposit received measured at amortised cost | 72 | (20) | - | 52 |
| **Total deferred tax liabilities** | **37,922** | **1,322** | **-** | **39,244** |
| **Deferred tax assets in relation to:** | | | | |
| Investment carried at fair value through profit or loss/ OCI | 2 | 14 | - | 16 |
| Security deposit paid measured at amortised cost | 360 | 38 | - | 398 |
| Allowances for doubtful receivables and advances | 1,208 | 13,311 | - | 14,519 |
| Lease liabilities | 34,664 | 993 | - | 35,657 |
| Asset retirement obligation | 92 | 85 | - | 177 |
| Provision for employee benefits | 548 | 32 | 3 | 583 |
| Employee stock option plans | 86 | - | - | 86 |
| Others | 40 | (14) | - | 26 |
| **Total deferred tax assets** | **37,000** | **14,459** | **3** | **51,462** |
| **Net deferred tax liabilities/(asset)** | **922** | **(13,137)** | **(3)** | **(12,218)** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 8 Taxes (Contd..)

| Particulars | As at April 01, 2021 | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2022 |
|---|---|---|---|---|
| **Deferred tax liability in relation to:** | | | | |
| Property, plant and equipment and intangible asset (excluding ARO) | 7,091 | 171 | - | 7,262 |
| Right of use assets | 25,666 | 1,634 | - | 27,300 |
| Investment carried at fair value through profit or loss/ OCI | 701 | (701) | - | - |
| Revenue equalisation reserve | 2,423 | 865 | - | 3,288 |
| Security deposit received measured at amortised cost | 81 | (9) | - | 72 |
| Others | 30 | (30) | - | - |
| **Total deferred tax liabilities** | **35,992** | **1,930** | **-** | **37,922** |
| **Deferred tax assets in relation to:** | | | | |
| Investment carried at fair value through profit or loss/ OCI | - | 2 | - | 2 |
| Security deposit paid measured at amortised cost | 259 | 101 | - | 360 |
| Allowances for doubtful receivables and advances | 1,520 | (312) | - | 1,208 |
| Lease liabilities | 32,777 | 1,887 | - | 34,664 |
| Asset retirement obligation | 28 | 64 | - | 92 |
| Provision for employee benefits | 437 | 123 | (12) | 548 |
| Employee stock option plans | 86 | - | - | 86 |
| Long term capital loss carried forward | 174 | (174) | - | - |
| Others | - | 40 | - | 40 |
| **Total deferred tax assets** | **35,281** | **1,731** | **(12)** | **37,000** |
| **Net deferred tax liabilities/(asset)** | **711** | **199** | **12** | **922** |

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.

## 9 Other non-current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Capital advances** | | |
| Unsecured, considered good | 122 | 25 |
| Unsecured, considered doubtful | - | - |
| Less: Allowances for capital advances | - | - |
| | **122** | **25** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 9 Other non-current assets (Contd..)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Others*** | | |
| Unsecured, considered good | 6,191 | 6,061 |
| Unsecured, considered doubtful | 1,149 | 1,069 |
| Less: Allowances | (1,149) | (1,069) |
| | **6,191** | **6,061** |
| Prepaid expenses | 11 | - |
| Revenue equalisation reserve | 13,674 | 12,532 |
| **Total** | **19,998** | **18,618** |

*"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, 2023 | As at March 31, 2022 |
|---|---|---|
| Secured, considered good | - | - |
| Unsecured, considered good | 48,687 | 70,582 |
| Significant increase in credit risk | 56,757 | 3,676 |
| Credit impaired | - | - |
| Less: Allowances for doubtful receivables | (56,757) | (3,676) |
| **Total** | **48,687** | **70,582** |

Trade receivables are non-interest bearing and due after 15/21/45 days from the date of invoice. The Company is entitled to demand interest, wherever applicable in case the customer does not pay within the due date. Trade receivables also includes amount outstanding from related parties, for details, refer note 39.

**Trade Receivables ageing schedule:**

### As at March 31, 2023

| 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 | 30,150 | 17,631 | 66 | 259 | 250 | 331 | 48,687 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | 41,991 | 13,046 | 628 | 864 | 228 | 56,757 |
| (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 Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 10 Trade receivables (Contd..)

### As at March 31, 2023

| 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 | - | - | - | - | - | - | - |
| **Grand Total** | **30,150** | **59,622** | **13,112** | **887** | **1,114** | **559** | **105,444** |
| Less: Allowances for doubtful receivables | | | | | | | (56,757) |
| **Total** | **30,150** | **59,622** | **13,112** | **887** | **1,114** | **559** | **48,687** |

### 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 | - | - | - | - | | - | - |
| **Grand Total** | **30,676** | **40,337** | **1,118** | **1,697** | **182** | **248** | **74,258** |
| Less: Allowances for doubtful receivables | | | | | | | (3,676) |
| **Total** | **30,676** | **40,337** | **1,118** | **1,697** | **182** | **248** | **70,582** |

## 11 Cash and cash equivalents

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance with banks** | | |
| On current accounts | 218 | 3,796 |
| Deposits with original maturity of less than three months | - | 6,004 |
| **Total** | **218** | **9,800** |

**For the purpose of the Cash flow statement, cash and cash equivalents comprise of following:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Cash and cash equivalents as per balance sheet | 218 | 9,800 |
| **Total** | **218** | **9,800** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 11 Cash and cash equivalents (Contd..)

### Reconciliation of cash flow from financing activities for the year ended March 31, 2023

| | Lease liabilities | Borrowing* | Dividend including taxes | Interest | Total |
|---|---|---|---|---|---|
| **As at April 1, 2022 (A)** | **142,392** | **54,868** | **-** | **120** | **197,380** |
| Cash activities | | | | | |
| - Payments | (30,278) | (136,985) | (29,644) | (3,667) | (200,574) |
| - Proceeds | - | 129,315 | | - | 129,315 |
| **Total cash activities (B)** | **(30,278)** | **(7,670)** | **(29,644)** | **(3,667)** | **(71,259)** |
| Non cash actvities | | | | | |
| - Accrued | 11,053 | - | 29,644 | 4,096 | 44,793 |
| - Additions (net of terminations) | 21,556 | - | - | - | 21,556 |
| - Others | - | (73) | | - | (73) |
| **Total non cash activites (C)** | **32,609** | **(73)** | **29,644** | **4,096** | **66,276** |
| **Balance as at March 31, 2023 (A+B+C)** | **144,723** | **47,125** | **-** | **549** | **192,397** |

### Reconciliation of cash flow from financing activities for the year ended March 31, 2022

| Particulars | Lease liabilities | Borrowing* | Dividend including taxes | Interest | Total |
|---|---|---|---|---|---|
| **As at April 1, 2021 (A)** | **133,958** | **81,639** | **-** | **502** | **216,099** |
| Cash activities | | | | | |
| - Payments | (28,497) | (189,144) | - | (4,417) | (222,058) |
| - Proceeds | - | 162,422 | - | - | 162,422 |
| **Total cash activities (B)** | **(28,497)** | **(26,722)** | **-** | **(4,417)** | **(59,636)** |
| Non cash actvities | | | | | |
| - Accrued | 10,912 | - | - | 4,035 | 14,947 |
| - Additions (net of terminations) | 26,019 | - | - | - | 26,019 |
| - Others | | (49) | | - | (49) |
| **Total non cas h activites (C)** | **36,931** | **(49)** | **-** | **4,035** | **40,917** |
| **Balance as at March 31, 2022 (A+B+C)** | **142,392** | **54,868** | **-** | **120** | **197,380** |

* 'Borrowings' include long term borrowings and short term borrowings.

## 12 Other current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Loans and advances to related parties - unsecured, considered good (refer note 39) | 140 | 164 |
| Advances to supplier | 1,008 | 1,111 |
| Other taxes recoverable | 1,017 | 513 |
| Prepaid expenses | 230 | 280 |
| Revenue equalisation reserve | 627 | 532 |
| Others | 9 | 11 |
| **Total** | **3,031** | **2,611** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 12 Other current assets (Contd..)

'Advances to supplier' is net of allowances for advances of Rs. 179 Mn (March 31, 2022 - Rs. 158 Mn). 'Other taxes recoverable' is net of allowances for other taxes recoverable of Rs. 14 Mn (March 31, 2022 - Rs. 17 Mn).

## 13 Share capital

**a. Equity share capital:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Authorized Shares** | | |
| 3,550,000,000 equity shares of Rs. 10 each (3,550,000,000 equity shares as at March 31, 2022) | 35,500 | 35,500 |
| **Issued, subscribed and fully paid-up shares** | | |
| 2,694,936,950 equity shares of Rs. 10 each fully paid-up (March 31, 2022 : 2,694,936,950 equity shares) | 26,949 | 26,949 |

**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 had declared an interim dividend of Rs. 11/- per equity share (face value of Rs. 10/- each) for the financial year 2021-22 which had been paid subsequently during the year.

**c. Shares held by Promoters of the Company**

| Promoter name | No. of Shares | | % of total shares | | % Change during the year |
|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | |
| **Equity shares of Rs. 10 each fully paid** | | | | | |
| **Promoters w.e.f. November 19, 2020** | | | | | |
| Bharti Airtel Limited* | 1,292,261,364 | 672,102,530 | 47.95% | 24.94% | 23.01% |
| Nettle Infrastructure Investments Limited* | - | 579,530,375 | - | 21.50% | -21.50% |
| Omega Telecom Holdings Private Limited # | 62,180,258 | 62,180,258 | 2.31% | 2.31% | - |
| Euro Pacific Securities Ltd # | 13,790,472 | 13,790,472 | 0.51% | 0.51% | - |
| 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% | - |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 13 Share capital (Contd..)

| Promoter name | No. of Shares | | % of total shares | | % Change during the year |
|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | |
| 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% | - |
| **Total** | **1,859,425,399** | **1,818,796,940** | **69.00%** | **67.49%** | **1.51%** |

*Nettle Infrastructure Investments Limited (""Nettle"") wholly owned subsidiary of Bharti Airtel Limited merged with and into Bharti Airtel Limited during the year. Accordingly, Bharti Airtel Limited holds 47.95% shares as on March 31, 2023. Bharti Airtel Limited along with its wholly owned subsidiary hold 46.44% shares as on March 31, 2022.

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 was 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 were not captured in the beneficial position received from the depositories, and accordingly, the same was 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, 2023 (March 31, 2022 - 21.05%).

**d. Details of shareholders holding more than 5% shares in the Company:**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No of Shares | % Holding | No of Shares | % Holding |
| Bharti Airtel Limited | 1,292,261,364 | 47.95% | 672,102,530 | 24.94% |
| Nettle Infrastructure Investments Limited ## | - | 0.00% | 579,530,375 | 21.50% |
| **Total** | **1,292,261,364** | **47.95%** | **1,251,632,905** | **46.44%** |

## Nettle Infrastructure Investments Limited (Nettle) wholly owned subsidiary of Bharti Airtel Limited merged with and into Bharti Airtel Limited during the year.

**e. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:** Nil

**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, 2023 | As at March 31, 2022 |
|---|---|---|
| Securities premium | 48,829 | 48,829 |
| Share based payment reserve | 118 | 98 |
| Capital redemption reserve | 471 | 471 |
| Capital reserve | 4,536 | 4,536 |
| Merger capital reserve | (47,982) | (47,982) |
| General reserve | 69,881 | 71,090 |
| Retained earnings | 108,628 | 117,839 |
| Other comprehensive income | (83) | (75) |
| **Total** | **184,398** | **194,806** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 14 Other equity (Contd..)

**(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)).

**(vii) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less transfer to other reserves (if any), dividends and other distributions paid to shareholders.

## 15 Long term borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured** | | |
| Term loans from banks* | 24,755 | 45,677 |
| Non-convertible debentures* | 14,970 | - |
| | **39,725** | **45,677** |
| **Current maturities of long-term borrowings (refer note 20)** | **(15,386)** | **(21,938)** |
| **Total** | **24,339** | **23,739** |

* Rs. 36 Mn (FY 2021-22 : 21 Mn) has been adjusted towards unamortized upfront fee on borrowings.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 15 Long term borrowings (Contd..)

The company does not have any secured borrowings as at March 31, 2023 and March 31, 2022.

**Repayment of term loans and Non-convertible debentures**

(i) Loan outstanding Rs. 583 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. 2,969 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.

(iii) Loan outstanding Rs. 1,000 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.

(iv) Loan outstanding Rs. 4,166 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.

(v) Loan outstanding Rs. 4,375 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.

(vi) Loan outstanding Rs. 6,667 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.

(vii) Loan outstanding Rs. 5,000 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to Rs. 5,000 Mn availed from bank in 12 equated quarterly instalments which will commence from May 2023.

Weighted average effective cost of debt as at March 31, 2023 is 8.05% per annum (March 31, 2022 : 5.60% per annum) on term loans from banks.

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.

(viii) Non-convertible debentures

The Company has issued 15,000 rated, listed, unsecured, redeemable non-convertible debentures (Series I - 7,500, Series II - 3,750 and Series III - 3,750) of face value of Rs. 10,00,000 each in three series (Series I - Rs. 7,500 Mn, Series II - Rs. 3,750 Mn and Series III - Rs. 3,750 Mn) 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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 16 Lease liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **142,392** | **133,958** |
| Additions during the year | 28,222 | 32,338 |
| Deletions/adjustments during the year | (6,666) | (6,319) |
| Interest accrued during the year | 11,053 | 10,912 |
| Payment of lease liabilities during the year | (30,278) | (28,497) |
| **Balance at the end of the year** | **144,723** | **142,392** |
| Current | 20,517 | 21,515 |
| Non-current | 124,206 | 120,877 |

## 17 Other financial liabilities (Non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Security deposits | 3,824 | 5,708 |
| **Total** | **3,824** | **5,708** |

The above security deposit is the fair value of total security deposit at transaction value for Rs. 5,567 Mn as at March 31, 2023 (March 31, 2022 : Rs. 7,385 Mn).

'Security deposits' includes transaction value of Rs. 3,000 Mn as at March 31, 2023 (March 31, 2022 : Rs. 3,120 Mn) towards amounts received from related parties. For details, refer note 39.

## 18 Provisions (Non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Asset retirement obligation (ARO)* | 17,873 | 16,254 |
| Gratuity (refer note 33) | 834 | 895 |
| Long-term service award | 31 | 49 |
| **Total** | **18,738** | **17,198** |

* 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:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Opening balance** | 16,254 | 14,982 |
| Provision added during the year | 663 | 301 |
| Provision utilised/adjusted during the year | (321) | (202) |
| Unwinding of discount | 1,277 | 1,173 |
| **Closing balance** | **17,873** | **16,254** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 18 Provisions (Non-current) (Contd..)

**Provisions (Current)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Gratuity (refer note 33) | 173 | 86 |
| Leave encashment | 503 | 449 |
| **Total** | **676** | **535** |

## 19 Other non-current liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Deferred operating lease revenue | 1,250 | 893 |
| Unearned revenue (refer note 39) | 643 | 569 |
| **Total** | **1,893** | **1,462** |

## 20 Short term borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured** | | |
| Commercial paper* | - | 8,971 |
| Short term loans** | 7,400 | 220 |
| Current maturities of long term borrowings (refer note 15) | 15,386 | 21,938 |
| **Total** | **22,786** | **31,129** |

*The Commercial paper have been issued to financial institutions and carries interest rate of Nil (March 31, 2022 : 4.07%) per annum.

**The short term loans have been taken from banks and financial institutions and carries effective interest rate of 7.60% to 8.19% (March 31, 2022 : 7.44% to 7.98%) per annum.

## 21 Trade payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| - Total outstanding dues of micro and small enterprises* | 492 | 520 |
| - Total outstanding dues of creditors other than micro and small enterprises | 20,704 | 20,730 |
| **Total** | **21,196** | **21,250** |

*Also include outstanding of medium enterprises.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 21 Trade payables (Contd..)

**a) Trade Payable include Rs. 11 Mn (March 31, 2022 : Rs. 87 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, 2023 | As at March 31, 2022 |
|---|---|---|
| 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 | 488 | 514 |
| Interest due on above | 1 | 3 |
| 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 | 445 | 1,117 |
| 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 | 3 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 4 | 6 |
| 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 | 4 | 6 |

Total payments made to micro, small and medium enterprises amounts to Rs. 20,896 (Rs. 20,385 Mn for the year ended March 31, 2022) out of which Rs. 445 Mn (Rs 1,117 Mn for the year ended March 31, 2022) 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 Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 21 Trade payables (Contd..)

### c) Trade payables ageing schedule

**As at March 31, 2023**

| 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 | 400 | 89 | 3 | - | - | 492 |
| (ii) Others | 357 | 692 | 242 | 196 | 8 | 1,495 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | 3 | 12 | 1 | - | 68 | 84 |
| **Subtotal** | **760** | **793** | **246** | **196** | **76** | **2,071** |
| (v) Accruals | 19,125 | - | - | - | - | 19,125 |
| **Total** | **19,885** | **793** | **246** | **196** | **76** | **21,196** |

**As at March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 years | 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 |
| **Subtotal** | **1,014** | **553** | **248** | **268** | **80** | **2,163** |
| (v) Accruals | 19,087 | - | - | - | - | 19,087 |
| **Total** | **20,101** | **553** | **248** | **268** | **80** | **21,250** |

### d) Relationship with struck off companies

| Name of the Company | Nature of transaction | Relationship with the Company | Balance outstanding as at* | |
|---|---|---|---|---|
| | | | As at March 31, 2023 | As at March 31, 2022 |
| Windtel Private Limited | Repair and Maintenance services | Vendor | -* | -* |
| Medius Destinations india Private Limited | Legal charges | Vendor | -* | -* |
| R D Promoters Private Limited | Rent | Landlord | -* | -* |
| Palat Engineers India Private Limited | Deployment service | Vendor | (2) | (2) |
| Paresh Buildcon Private Limited | Rent | Landlord | -* | - |
| Precious Shelters Private Limited | Rent | Landlord | -* | - |
| Lords Hotels Private Limited | Boarding and Lodging Expense | Vendor | -* | -* |
| Akansha Builders Private Limited | Rent | Landlord | - | -* |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 21 Trade payables (Contd..)

| Name of the Company | Nature of transaction | Relationship with the Company | Balance outstanding as at* | |
|---|---|---|---|---|
| | | | As at March 31, 2023 | As at March 31, 2022 |
| Lex Property Developments Private Limited | Rent | Landlord | -* | -* |
| Najeeb Construction Private Limited | Repair and Maintenance services | Vendor | -* | -* |
| IITG Jobs Private Limited | Professional fees | Vendor | -* | -* |
| Curinnov Services Private Limited | Repair and Maintenance services | Vendor | -* | -* |
| Helpsure Multi-Trade Private Limited | Repair and Maintenance services | Vendor | -* | -* |
| Rajiv Hotels (India) P.Ltd. | Rent | Landlord | -* | -* |
| Synergy Telecommunications Private Limited | Repair and Maintenance services | Vendor | -* | -* |
| Tunir Construction Company Private Limited | Rent | Landlord | -* | -* |

The above disclosure has been made with respect to Struck off companies only where the balance were outstanding either in current year or in previous year.

*Less than 1 Mn

## 22 Other financial liabilities (Current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Payable to employees | 820 | 760 |
| Creditors for capital expenditure | 9,808 | 5,185 |
| Interest accrued and not due | 549 | 120 |
| Security deposits | - | 30 |
| Other payables | 415 | 415 |
| **Total** | **11,592** | **6,510** |

## 23 Other current liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Statutory liabilities | 3,382 | 3,875 |
| Unearned revenue (refer note 39) | 392 | 628 |
| Deferred operating lease revenue | 289 | 497 |
| Liability for cash settled option (refer note 34) | - | 18 |
| Others | 108 | 143 |
| **Total** | **4,171** | **5,161** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 24 Revenue from operations

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Sale of services** | | |
| Rent (including recoveries for rates and taxes) | 174,317 | 175,981 |
| Energy | 109,501 | 101,101 |
| **Total** | **283,818** | **277,082** |

## 25 Other income

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Interest income (others) | 43 | 81 |
| Profit on sale of property, plant and equipment | 2,614 | 2,551 |
| Miscellaneous income | 955 | 893 |
| **Total** | **3,612** | **3,525** |

## 26 Power and fuel

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Network | 105,840 | 102,587 |
| Others | 68 | 66 |
| **Total** | **105,908** | **102,653** |

## 27 Employee benefit expenses

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Salaries, wages and bonus* | 7,117 | 7,182 |
| Contribution to provident fund | 236 | 232 |
| Equity settled/cash settled option expense (refer note 34) | 77 | 108 |
| Staff welfare expenses | 224 | 164 |
| Others | 87 | 36 |
| **Total** | **7,741** | **7,722** |

* 'Salaries, wages and bonus' includes gratuity and other post-employment benefits. For details, refer note 33.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 28 Repairs and maintenance

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Repair and maintenance** | | |
| - Plant and machinery | 12,993 | 13,003 |
| - Others | 512 | 464 |
| **Total** | **13,505** | **13,467** |

## 29 Other expenses

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Insurance | 583 | 465 |
| Travelling and conveyance | 740 | 464 |
| Communication expenses | 75 | 63 |
| Legal and professional | 842 | 838 |
| Rates and taxes | 1,766 | 1,567 |
| Information technology (IT) expenses | 1,140 | 1,005 |
| Allowances for doubtful receivables and advances (net) | 53,075 | (1,177) |
| Miscellaneous expenses | 769 | 710 |
| **Total** | **58,990** | **3,935** |

**Payment to auditor (included in legal and professional expenses above):**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Audit fee | 13.56 | 12.00 |
| Tax audit fee | 0.57 | 0.50 |
| Other services | 2.05 | 0.95 |
| Reimbursement of expenses | 1.07 | 0.95 |
| **Total** | **17.25** | **14.40** |

## 30 Depreciation and amortization expense

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Depreciation | 54,182 | 53,948 |
| Amortization | 204 | 225 |
| | **54,386** | **54,173** |
| Less: adjusted with General Reserve in accordance with the Scheme of arrangement (refer note 42) | (1,171) | (970) |
| **Total** | **53,215** | **53,203** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 31 Finance costs and income

### Finance costs

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Interest expense | 4,011 | 3,461 |
| Bank charges | 9 | 4 |
| Unwinding of discount on asset retirement obligation | 1,277 | 1,173 |
| Unwinding of discount on security deposit received | 354 | 472 |
| Interest on lease liabilities | 11,053 | 10,912 |
| **Total** | **16,704** | **16,022** |

### Finance income

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Interest income on financial assets carried at amortized cost:** | | |
| Interest on bank deposit | 14 | 12 |
| Interest on security deposit paid | 555 | 502 |
| Interest income (others) | 1,335 | 142 |
| **Interest income on financial assets carried at fair value through other comprehensive income** | - | - |
| **Interest income on financial assets carried at fair value through profit or loss:** | | |
| Interest on government securities | 211 | 211 |
| **Gain/(loss) on investments (including MTM gain/(loss))** | 50 | 193 |
| **Total** | **2,165** | **1,060** |

## 32 Earnings per Share (EPS)

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Nominal value of equity shares (Rs.) | 10 | 10 |
| Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (Rs. Mn) | 20,433 | 63,671 |
| Weighted average number of equity shares outstanding during the period for computing Basic EPS (B) | 2,694,936,950 | 2,694,936,950 |
| Dilutive effect on weighted average number of equity shares outstanding during the period | - | - |
| Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C) | 2,694,936,950 | 2,694,936,950 |
| Basic earnings per share (A/B) (Rs.) | 7.58 | 23.63 |
| Diluted earnings per share (A/C) (Rs.) | 7.58 | 23.63 |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Employer's contribution to provident fund | 236 | 232 |
| **Total** | **236** | **232** |

**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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Service cost | 116 | 378 |
| Interest cost | 70 | 48 |
| **Total** | **186** | **426** |

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 defined benefit 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 defined benefit plan's liability.

**The assumptions used to determine the benefit obligation are as follows:-**

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Discount rate | 7.36% | 7.19% |
| Expected rate of increase in compensation levels * | 9.00% | 8.00% |
| Expected average remaining working lives of employees (years) * | 19.55 | 20.01 |

*For contractual employees, expected rate of increase in compensation levels is 6% (March 31, 2022: 6%) & expected average remaining working lives of employees is 23.42 (March 31, 2022: 23.09) years .

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 33 Employee benefits (Contd..)

### Demographic assumption

Assumptions regarding future mortality are based on published statistics and mortality tables (IALM (2012-14) for the year ended March 31, 2023:

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, 2023 are as shown below:

| Age (Years) | Rates |
|---|---|
| Upto 30 years | 28.63% |
| From 31 - 44 years | 17.52% |
| Above 44 years | 18.49% |

iii. Reconciliation of opening and closing balances of defined benefit obligation:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Present value of benefit obligation at the beginning of year** | 981 | 708 |
| Service cost | 116 | 378 |
| Interest cost | 70 | 48 |
| Benefits paid | (171) | (106) |
| Actuarial (gain)/ loss | 11 | (47) |
| **Present value of benefit obligation as at the end of year** | **1,007** | **981** |

iv. Amount recognised in Other comprehensive income

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Opening net cumulative unrecognized gain/(loss)** | (100) | (147) |
| Actuarial gain/(loss) | (11) | 47 |
| **Unrecognized actuarial gain/(loss) at the end of year** | **(111)** | **(100)** |

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. 194 Mn (March 31, 2022 : Rs. 210 Mn).

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 33 Employee benefits (Contd..)

viii. The Maturity profile of defined benefit obligation is as follows :

| Period | Amount |
|---|---|
| April 2021 - March 2022 | 173 |
| April 2022 - March 2023 | 156 |
| April 2023- March 2024 | 128 |
| April 2024- March 2025 | 105 |
| April 2025 onwards | 445 |

ix. Sensitivity analysis

| Particulars | Change in Assumption | | Impact on Gratuity | |
|---|---|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Discount rate | +1% | +1% | (42) | (64) |
| | -1% | -1% | 45 | 78 |
| Salary Growth rate | +1% | +1% | 45 | 78 |
| | -1% | -1% | (42) | (74) |

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, 2020-21, 2021-22 and 2022-23, the Company has announced Long term incentive plan (LTIP) 2015 for its employees.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

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 |
|---|---|---|---|---|---|---|---|
| | **Equity settled Plans** | | | | | | |
| Company | ESOP Scheme 2008 | 2008 Plan | - | 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) | 4 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2018) | - | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2019-20) | - | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2020-21) | 151 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2021) | 395 | 1 - 3 | 7 | 10 | Equity settled |
| | ESOP Scheme 2014 | Long term incentive plan (LTIP) 2015 (Grant 2022)* | 663 | 1 - 3 | 7 | 10 | Equity settled |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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 2022)** | 95 | 1 - 3 | 7 | 10 | Equity settled |
| | **Cash settled Plans** | | | | | | |
| | Scheme 2013 | Performance Unit Plan (2013 and 2014) | - | 1 - 3 | 7 | - | Cash settled |

* ESOP granted during August 2022

** ESOP granted during February 2023

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 |
|---|---|---|
| **1. ESOP Scheme 2008 (including LTIP)** | | |
| 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% |
| **2. Performance Unit Plan (Cash settled plan)** | | |
| 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% |
| **3. Long term incentive plan (LTIP) 2015 (Grant 2015)** | | |
| 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 Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

| | Vesting period from the grant date | Vesting schedule |
|---|---|---|
| **4. Long term incentive plan (LTIP) 2015 (Grant 2016)** | | |
| 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% |
| **5. Long term incentive plan (LTIP) 2015 (Grant 2017)** | | |
| 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% |
| **6. Long term incentive plan (LTIP) 2015 (Grant 2018)** | | |
| 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% |
| **7. Long term incentive plan (LTIP) 2015 (Grant 2019-20)** | | |
| For options with a vesting period of 28 months: | | |
| | On completion of 12 months | 60% |
| | On completion of 28 months | 40% |
| **8. Long term incentive plan (LTIP) 2015 (Grant 2020-21)** | | |
| For options with a vesting period of 30 months: | | |
| | On completion of 12 months | 60% |
| | On completion of 30 months | 40% |
| **9. Long term incentive plan (LTIP) 2015 (Grant 2021)** | | |
| 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% |
| **10. Long term incentive plan (LTIP) 2015 (Grant 2022)*** | | |
| 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% |
| **11. Long term incentive plan (LTIP) 2015 (Grant 2022)**** | | |
| For options with a vesting period of 30 months: | | |
| | On completion of 12 months | 30% |
| | On completion of 18 months | 30% |
| | On completion of 30 months | 40% |

* ESOP granted during August 2022

** ESOP granted during February 2023

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 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:

### As at March 31, 2023

| Plan | Exercise price (Rs.) | Number of stock options (in '000) | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding at beginning of the year | Granted | Forfeited | Exercised | Outstanding at the year end | Exercisable at end of the year |
| Plan 2008 | 109.67 | 1 | - | - | 1 | - | - |
| Cash settled Plan (2013 and 2014) | NA | - | - | - | - | - | - |
| LTI Plan 2015 (Grant 2015) | 10 | 4 | - | - | - | 4 | 4 |
| LTI Plan 2015 (Grant 2016) | 10 | 4 | - | - | - | 4 | 4 |
| LTI Plan 2015 (Grant 2017) | 10 | 7 | - | - | 3 | 4 | 4 |
| LTI Plan 2015 (Grant 2018) | 10 | 16 | - | - | 16 | - | - |
| LTI Plan 2015 (Grant 2019-20) | 10 | 68 | - | 5 | 63 | - | - |
| LTI Plan 2015 (Grant 2020-21) | 10 | 317 | - | 54 | 112 | 151 | 25 |
| LTI Plan 2015 (Grant 2021) | 10 | 619 | - | 83 | 141 | 395 | 39 |
| LTI Plan 2015 (Grant 2022)* | 10 | - | 688 | 25 | - | 663 | - |
| LTI Plan 2015 (Grant 2022)** | 10 | - | 95 | - | - | 95 | - |

* ESOP granted during August 2022

** ESOP granted during February 2023

### As at March 31, 2022

| Plan | Exercise price (Rs.) | Number of stock options (in '000) | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding at beginning of the year | Granted | Forfeited | Exercised | Outstanding at the year end | Exercisable at end of the year |
| Plan 2008 | 109.67 | 2 | - | - | 1 | 1 | 1 |
| Cash settled Plan (2013 and 2014) | NA | 7 | - | - | 7 | - | - |
| LTI Plan 2015 (Grant 2015) | 10 | 4 | - | - | - | 4 | 4 |
| LTI Plan 2015 (Grant 2016) | 10 | 5 | - | - | 1 | 4 | 4 |
| LTI Plan 2015 (Grant 2017) | 10 | 11 | - | - | 4 | 7 | 7 |
| LTI Plan 2015 (Grant 2018) | 10 | 33 | - | - | 17 | 16 | 16 |
| LTI Plan 2015 (Grant 2019-20) | 10 | 107 | - | 12 | 27 | 68 | 38 |
| LTI Plan 2015 (Grant 2020-21) | 10 | 491 | - | 57 | 117 | 317 | 150 |
| LTI Plan 2015 (Grant 2021) | 10 | - | 641 | 22 | - | 619 | - |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 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, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Equity settled plans** | | | | | | |
| Plan 2008 | - | 0.25 | - | - | 207.65 | 239.20 |
| LTI Plan 2015 (Grant 2015) | 2.33 | 3.33 | - | - | - | - |
| LTI Plan 2015 (Grant 2016) | 2.33 | 3.33 | - | - | - | 281.50 |
| LTI Plan 2015 (Grant 2017) | 2.33 | 4.19 | - | - | 168.28 | 227.12 |
| LTI Plan 2015 (Grant 2018) | - | 6.15 | - | - | 177.18 | 237.15 |
| LTI Plan 2015 (Grant 2019-20) | - | 6.60 | - | - | 180.80 | 243.89 |
| LTI Plan 2015 (Grant 2020-21) | 7.08 | 7.62 | - | - | 189.92 | 222.19 |
| LTI Plan 2015 (Grant 2021) | 7.75 | 8.43 | - | 222.15 | 187.00 | - |
| LTI Plan 2015 (Grant 2022)* | 8.43 | - | 227.75 | - | | - |
| LTI Plan 2015 (Grant 2022)** | 8.59 | - | 144.30 | - | - | - |
| **Cash settled plans** | | | | | | |
| PUP 2013 & 2014 | - | - | - | - | - | - |

* ESOP granted during August 2022

** ESOP granted during February 2023

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 2022)* As at March 31, 2023 | LTIP Plan 2015 (Grant 2022)** As at March 31, 2023 | LTIP Plan 2015 (Grant 2021) As at March 31, 2022 |
|---|---|---|---|
| Risk free interest rates | 7.29% | 7.28% | 3.45% to 6.77% |
| Vesting period | 36 months | 30 months | 36 months |
| Weighted average share price (Rs.) | 227.75 | 144.30 | 222.15 |
| Volatility | 52.27% | 49.38% | 49.62% |
| Dividend yield | 4.83% | 7.62% | 8.55% |

* ESOP granted during August 2022

** ESOP granted during February 2023

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

**(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) | - | 1 - 3 | 7 | 1 | Cash settled |
| | Grant 8 (Aug 2019) | - | 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 |
|---|---|---|
| **SAR Plan 2 (Grant 7 & Grant 8)** | | |
| 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, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of stock options | Exercise price (Rs.) | Number of stock options | Exercise price (Rs.) |
| **Performance Unit Plan (Grant 7 & Grant 8)** | | | | |
| Outstanding at beginning of the year | 32 | 1 | 85 | 1 |
| Granted | - | - | - | - |
| Forfeited | - | - | (3) | 1 |
| Exercised | (32) | 1 | (50) | 1 |
| Outstanding at the year end | - | - | 32 | 1 |
| Exercisable at end of the year | - | - | 3 | 1 |

Remaining contractual life for the options outstanding as of March 31, 2023 is Nil (March 31, 2022 - 3.33 years) and Nil years (March 31, 2022 - 4.33 years) for Grant 7 and Grant 8 respectively.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 34 Employee stock/cash settled option plans (Contd..)

**Notes:**

(i) Total employees stock/cash options expense recognised for the year ended March 31, 2023 and March 31, 2022 is Rs. 77 Mn and Rs. 108 Mn respectively.

(ii) The Company had decided to issue equity shares on exercise of ESOPs through ESOP trust and with this objective, 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] was formed in FY 2014-15.

The loan has been given to ESOP trust time to time for purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014 and the same is being adjusted against the shares issued by the trust to the employees of the company.

During the year ended March 31, 2023, Trust has acquired 525,000 shares at a price of Rs. 142.31 per share and 401,647 equity shares of exercise price of Rs. 10 each and 743 equity shares of exercise price of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of March 31, 2023, the Trust holds 676,322 shares (of Face Value of Rs. 10 each) (March 31, 2022 - 553,712 shares) of the Company.

### Reconciliation of numbers of shares held by ESOP Trust

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| | Number of Shares | | (Rs. Million) | |
| Opening balance | 553,712 | 145,090 | 141 | 33 |
| Purchased during the year | 525,000 | 610,000 | 75 | 154 |
| Share sold during the year | - | - | - | - |
| Issued during the year | (402,390) | (201,378) | (101) | (46) |
| **Closing balance** | **676,322** | **553,712** | **115** | **141** |

## 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. 174,317 Mn and Rs. 175,981 Mn for the year ended March 31, 2023 and March 31, 2022 respectively.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Future minimum lease income receivable:** | | |
| Not later than one year | 146,608 | 111,145 |
| Later than one year but not later than five years | 507,986 | 315,181 |
| Later than five years | 425,960 | 118,014 |
| **Total** | **1,080,554** | **544,340** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 36 Contingencies & Capital commitments

### a) Guarantees

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Guarantees issued by banks and financials institutions on behalf of the Company | 1,177 | 1,107 |
| **Total** | **1,177** | **1,107** |

The financial bank guarantees have been issued to regulatory authorities.

### b) Contingent liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| (i) Taxes, duties and other demands (under adjudication / appeal / dispute) | | |
| Stamp duty {refer to (i) below} | 226 | 224 |
| Entry tax {refer to (ii) below} | 1,945 | 1,949 |
| Sales tax/VAT/GST {refer to (iii) below} | 21,221 | 21,753 |
| Municipal taxes {refer to (iv) below} | 11,326 | 10,375 |
| Service tax {refer to (v) below} | 39,344 | 40,590 |
| (ii) Income tax matters {refer to (vi) below} | 37,949 | 37,978 |
| (iii) Other claims {refer to (viii) below} | 1,854 | 2,021 |
| **Total** | **113,865** | **114,890** |

The management of the Company assesses all material claims in the nature of demands against the Company and based on legal advice in certain cases evaluates whether it is probable, possible or remote (PPR).

Further, the management of the Company makes an assessment for uncertain tax positions for direct tax matters and records a provision if it is probable and disclose it as part of contingent liabilities when it is assessed as possible in nature.

The show cause notices (SCN) including intimation prior to SCN relating to direct and indirect taxes have neither been acknowledged as claims nor considered as contingent liability and hence, not disclosed.

Contingent liability amount disclosed above includes interest and penalty only to the extent such amounts are demanded by various tax authorities through demand order.

The Company discloses voluntarily for the material cases that are assessed as remote as part of PPR analysis and are included in the above amount.

#### i) Stamp duty

The Company had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

#### ii) 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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 36 Contingencies & Capital commitments (Contd..)

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 and Assam and amended the pending petitions in 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.

### iii) 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. The demand for GST pertains to disallowance of Input tax credit availed by the Company on passive infrastructure assets other than towers.

### iv) 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.

### v) 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 favourable 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.

### vi) 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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 36 Contingencies & Capital commitments (Contd..)

### vii) 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.

**viii)** 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, 2023 | As at March 31, 2022 |
|---|---|---|
| Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances) | 5,667 | 2,307 |
| **Total** | **5,667** | **2,307** |

## 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, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| **Financial Assets** | | | | |
| **- At fair value through profit or loss** | | | | |
| Investment in mutual funds | - | 13,653 | - | 13,653 |
| Investment in government securities | 2,756 | 2,868 | 2,756 | 2,868 |
| **- At amortised cost** | | | | |
| Cash and cash equivalents | 218 | 9,800 | 218 | 9,800 |
| Trade receivables | 48,687 | 70,582 | 48,687 | 70,582 |
| Other financial assets | 44,374 | 34,849 | 44,374 | 34,849 |
| | **96,035** | **131,752** | **96,035** | **131,752** |
| **Financial Liabilities** | | | | |
| **- At amortised cost** | | | | |
| Borrowings | 47,125 | 54,868 | 47,125 | 54,868 |
| Trade payables | 21,196 | 21,250 | 21,196 | 21,250 |
| Other financial liabilities | 15,416 | 12,218 | 15,416 | 12,218 |
| | **83,737** | **88,336** | **83,737** | **88,336** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

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

i) The carrying value of cash and cash equivalents, other bank balances, trade receivables, short term borrowings, trade payables approximate their fair value mainly due to the short-term maturities of these instruments/being subject to floating rates.

ii) 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.

iii) The fair value of security deposits included in other financial assets & other financial liabilities and variable and fixed rate long term borrowings 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 price 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, 2023 | As at March 31, 2022 |
|---|---|---|
| | Level 1 | Level 1 |
| **Financial Assets** | | |
| **- At fair value through profit or loss** | | |
| - Investments in mutual funds | - | 13,653 |
| - Investments in government securities | 2,756 | 2,868 |
| **Total** | **2,756** | **16,521** |

No financial assets have been classified into Level 2 and Level 3 fair value measurements.

Further, during the year ended March 31, 2023, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 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)

Mr. Prachur Sah, Managing Director and CEO (w.e.f January 03, 2023)

Mr. Bimal Dayal, Managing Director and CEO (till September 17, 2022)

Mr. Vikas Poddar, Chief Financial Officer

Ms. Samridhi Rodhe, Company Secretary

**Non Executive Directors**

Ms. Anita Kapur - Independent Director

Ms. Sonu Bhasin - Independent Director

Mr. N Kumar - Independent Director

Mr. Sharad Bhansali - Independent Director

Mr. Ramesh Abhishek - Independent Director (appointed w.e.f. January 3, 2023)

Mr. Rajan Bharti Mittal

Mr. Gopal Vittal

Mr. Pankaj Tewari (appointed w.e.f. October 8, 2022)

Mr. Sunil Sood (appointed w.e.f. June 30, 2022)

Mr. Harjeet Singh Kohli

Mr. Thomas Reisten

Mr. Randeep Singh Sekhon

Mr. Ravinder Takkar

ii. Related parties who have control/significant influence over the Company:

| Relationship | Related Party |
|---|---|
| Promoter Groups | Bharti Airtel Limited |
| | Nettle Infrastructure Investments Limited (merged with and into Bharti Airtel Limited w.e.f. February 01, 2023) |
| | 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 |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 39 Related party Disclosures: (Contd..)

| Relationship | Related Party |
|---|---|
| | Al-Amin Investments Ltd |
| | Usha Martin Telematics Limited |

iii. 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 |
| Entities having significant influence [includes Subsidiaries and Joint Venture of the promoter group] | Bharti Hexacom Limited |
| | Nxtra Data Limited |
| | Bharti Airtel Services Limited |
| | Vodafone Idea Limited |
| | KFin Technologies Private Limited (Ceased to be a related party w.e.f February 24, 2022)* |
| Controlled trust | Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust) |

*Related party having common directorship.

**b) Related party transactions and balances:**

Related party transactions represent transactions entered into by the Company with promoters, subsidiary Company, entities having significant influence over the Company and the controlled Trust. The transactions with these related parties for the year ended March 31, 2023 and March 31, 2022 and balances as at March 31, 2023 and March 31, 2022 are described below:

| | Year ended March 31, | | Year ended March 31, | | Year ended March 31, | | Year ended March 31, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Relationship** | Promoters | | Subsidiary Company | | Entities having significant influence | | Controlled trust | |
| **Nature of transaction** | | | | | | | | |
| Loan given | - | - | (22) | (12) | - | - | (75) | (154) |
| Loan repaid/adjusted | - | - | 1 | 121 | - | (348) | 99 | 46 |
| Purchase of property, plant & equipment | - | - | (1) | (39) | (28) | (31) | - | - |
| Revenue from operations* | 144,632 | 128,982 | - | (38) | 127,477 | 120,039 | - | - |
| Procurement of services/ Reimbursement of expenses | (125) | (186) | (20) | (45) | (81) | (112) | - | - |
| Security deposit received | - | - | - | - | (4) | (5) | - | - |
| Security deposit refunded | 36 | - | - | - | 95 | - | - | - |
| Dividend paid/declared | (20,091) | - | - | - | - | - | (6) | - |
| Interest expense | - | - | - | - | - | 48 | - | - |
| | **124,452** | **128,796** | **(42)** | **(13)** | **127,459** | **119,591** | **18** | **(108)** |

*Inclusive of GST and interest income and represents gross billed and unbilled transactions recorded during the year.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 39 Related party Disclosures: (Contd..)

| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|---|---|---|---|
| **Relationship** | Promoters | | Subsidiary Company | | Entities having significant influence | | Controlled trust | |
| **Nature of balances** | | | | | | | | |
| Trade payables | (9) | (81) | - | (1) | (2) | (5) | - | - |
| Other non-current and current liabilities | (650) | (646) | - | - | (384) | (552) | - | - |
| Other current assets | - | - | - | - | - | - | 140 | 164 |
| Other financial assets | 16,027 | 10,096 | 104 | 83 | 12,401 | 11,514 | - | - |
| Trade receivables # | 28,437 | 24,857 | - | - | 86,711 | 59,191 | - | - |
| Other non-current financial liabilities | (1,403) | (1,431) | - | - | (1,597) | (1,689) | - | - |
| | **42,402** | **32,795** | **104** | **82** | **97,129** | **68,459** | **140** | **164** |

# Represents gross billed transactions outstanding at the end of the year.

As at March 31, 2023, the Company has outstanding allowances for doubtful receivables pertaining to related parties amounting to Rs. 54,527 Mn (March 31, 2022: Rs. 771 Mn).

Figures in bracket indicate liability and figures without bracket indicate 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 during the year ended | |
|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Loan given to related parties** | | | | |
| Smartx Services Limited* | 104 | 83 | 105 | 185 |
| Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust) | 140 | 164 | 164 | 204 |
| **Total** | **244** | **247** | **269** | **389** |

*The Company has granted an interest free unsecured loan which is repayable within 90 days from the date of demand and the Company has not demanded the loan anytime 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 Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 39 Related party Disclosures: (Contd..)

### Payments made to Key management personnel/ non executive directors:

| | Year ended | |
|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022** |
| Short-term employee benefits (including salary and commission) | 110 | 86 |
| Post-employment benefits | 8 | 9 |
| Share based payment | 5 | 19 |
| **Total** | **123** | **114** |

Amount received from KMP for ESOP exercised during the year ended March 31, 2023 is Nil* (March 31, 2022 : Nil)

* Amount is less than 1 million.

**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 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 Segment Reporting

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 and geographical segment. Hence, 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 March 31, 2023** | **Year ended March 31, 2022** |
|---|---|---|
| Profit on sale of property, plant and equipment | 2,614 | 2,551 |
| Power and fuel - Network | 105,840 | 102,587 |
| Salaries, wages and bonus | 7,117 | 7,182 |
| Repair and maintenance - Plant and machinery | 12,993 | 13,003 |
| Rates and taxes | 1,766 | 1,567 |
| Allowances for doubtful debts and advances (net) | 53,075 | (1,177) |
| Depreciation and amortization expense | 53,215 | 53,203 |
| Interest expense | 4,011 | 3,461 |
| Interest on lease liabilities | 11,053 | 10,912 |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

**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. As prescribed under the scheme, such general reserve had been utilised for additional or accelerated depreciation related to the fixed assets transferred pursuant to 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 Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 42 (Contd..)

Movement of General Reserve created out of merger:

| Particulars | Amount |
|---|---|
| **General reserve arising out of merger on the effective date of merger i.e. November 19, 2020** | **73,257** |
| Less: Additional or accelerated depreciation for the period from November 19, 2020 to March 31, 2021 (including Rs. 589 Mn on account of alignment of accounting practices and estimates) | (1,133) |
| **General reserve arising out of merger as on March 31, 2021** | **72,124** |
| Less: Additional or accelerated depreciation for the financial year ended March 31, 2022 | (970) |
| **General reserve arising out of merger as on March 31, 2022** | **71,154** |
| Less: Additional or accelerated depreciation for the financial year ended March 31, 2023 | (1,171) |
| **General reserve arising out of merger as on March 31, 2023** | **69,983** |

**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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **(i) Amount required to be spent by the company during the year*** | 1,046 | 418 |
| **(ii) Amount of expenditure incurred** | 977 | 356 |
| **(iii) (Surplus)/Shortfall at the end of the year** | 69 | 62 |
| **(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 and skill development; Environment sustainability and Swachh Bharat initiatives; Community Empowerment and livelihood; monitoring and administration and Impact assessment.

* The budgeted spent for the year ended March 31, 2023 is Rs. 984 Mn increased by Rs. 62 Mn on account of unspent obligation of financial 2021-22. The budgeted spent for the year ended March 31, 2022 was Rs. 573 Mn less excess spent of Rs. 155 Mn pertaining to financial year 2020-21.

The remaining unspent money of Rs. 69 Mn (March 31, 2022: 62 Mn) has been (was) transferred to a separate bank account as per section 135 (6) of the Companies Act, 2013.

**(ii)** No political contribution was made for the financial year ended March 31, 2023 (March 31, 2022: Nil). Further, the Company has spent Rs. Nil (March 31, 2022: 4 Mn) on Non-CSR projects during the year ended March 31, 2023.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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 & Risk Management Committee. This process provides 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. 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, 2023 and March 31, 2022.

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, 2023 | As at March 31, 2022 |
|---|---:|---:|
| Variable rate instruments | | |
| Long term borrowings (refer note 15) | 24,339 | 23,739 |
| Current maturities of long term borrowings (refer note 20) | 15,386 | 21,938 |
| **Total** | **39,725** | **45,677** |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 44 Financial risk management objectives and policies (Contd..)

**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:

| Particulars | Increase/ (decrease) in basis points | Effect on profit before tax increase/ (decrease) |
|---|---|---|
| For the year ended March 31, 2023 | + 100 | (361) |
| | - 100 | 361 |
| For the year ended March 31, 2022 | + 100 | (359) |
| | - 100 | 359 |

**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. 6 Mn (USD 0.07 Mn) included in trade payable as at March 31, 2023 (March 31, 2021 : Nil* (JPY 0.22 Mn)). The Company has not entered into any derivative arrangements during the year ended March 31, 2023.

* 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 Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 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 due after 15/21/45 days from the date of invoice. The Company is entitled to demand interest, wherever applicable in case the customer does not pay within the due date. 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, 2023 | 30,150 | 59,622 | 15,672 | 105,444 | (56,757) | 48,687 |
| Trade receivables as at March 31, 2022 | 30,676 | 40,337 | 3,245 | 74,258 | (3,676) | 70,582 |

### Bank balances 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, 2023 and March 31, 2022 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, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Less than 6 months | 6 to 12 months | 2-3 years | > 2 years | Total |
| Long term borrowings* | 39,725 | 43,980 | 10,861 | 7,008 | 16,619 | 9,492 | 43,980 |
| Short term borrowings** | 7,400 | 7,484 | 7,484 | - | - | - | 7,484 |
| Lease liabilities | 144,723 | 212,926 | 17,564 | 13,924 | 26,396 | 155,042 | 212,926 |
| Trade payables | 21,196 | 21,196 | 21,196 | - | - | - | 21,196 |
| Other financial liabilities # | 15,416 | 17,159 | 11,592 | - | - | 5,567 | 17,159 |
| **Total** | **228,460** | **302,745** | **68,697** | **20,932** | **43,015** | **170,101** | **302,745** |

*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 Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 44 Financial risk management objectives and policies (Contd..)

| Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | Total |
| 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 |
| **Total** | **230,728** | **303,293** | **69,769** | **25,046** | **42,957** | **165,521** | **303,293** |

*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, 2023 and March 31, 2022.

**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, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Total borrowings | 47,125 | 54,868 |
| Less: investments | (2,756) | (16,521) |
| Less: cash and cash equivalents | (218) | (9,800) |
| **Net debt** | **44,151** | **28,547** |
| **Total equity** | **211,347** | **221,755** |
| **Gearing ratio** | **20.89%** | **12.87 %** |

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, 2023.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

**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, 2023 is Rs. Nil (March 31, 2022 : Rs. Nil).

## 46 Ratios as per the Schedule III requirements

| Sr. No. | Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | 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 | 1.07 | 1.40 | (23.51%) | |
| 2 | Debt-Equity Ratio | Long term borrowings (+) Short term borrowings | Total equity | 0.22 | 0.25 | (9.88%) | |
| 3 | Debt Service Coverage Ratio | Profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional item and tax (-) other income | Interest cost (+) Interest on lease liabilities (+) and repayments of long term borrowings (+) lease liabilities | 1.62 | 3.09 | (47.57%) | Mainly due to decrease in profit before depreciation and amortization, finance costs, finance income, charity and donation, exceptional item and tax due to higher allowances for doubtful receivables and advances (net) |
| 4 | Return on Equity Ratio | Profit after tax | Average (of opening and closing) total equity (i.e. total equity as reduced by investment in subsidiary. | 9.44% | 33.47% | (71.79%) | Mainly due to decrease in net profit after tax due to higher allowances for doubtful receivables and advances (net) |
| 5 | Trade receivables turnover ratio | Revenue from operations | Average (of opening and closing) trade receivables | 4.76 | 5.09 | (6.50%) | |
| 6 | Trade payables turnover ratio | Total expenses (-) Allowances for doubtful receivables and advances (net) | Average (of opening and closing) trade payables | 6.27 | 4.79 | 30.85% | Mainly due to decrease in trade payables |
| 7 | Net capital turnover ratio | Revenue from operations | Current assets (-) Current liabilities | 50.63 | 7.91 | 540.31% | Mainly due to decrease in current assets |
| 8 | Net profit ratio | Profit after tax | Revenue from operation | 7.20% | 22.98% | (68.67%) | Mainly due to decrease in net profit after tax due to higher allowances for doubtful receivables and advances (net) |

# Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Amounts in millions of Indian Rupees)

## 46 Ratios as per the Schedule III requirements (Contd..)

| Sr. No. | Ratio | Numerator | Denominator | March 31, 2023 | March 31, 2022 | Change from previous year | Explanation for any change in the ratio by more than 25% as compared to the preceding year |
|---|---|---|---|---|---|---|---|
| 9 | Return on Capital employed | Profit before finance costs, finance income, exceptional item 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) | 11.88% | 26.65% | (55.44%) | Mainly due to decrease in profit before finance costs, finance income, exceptional item and tax due to higher allowances for doubtful receivables and advances (net) |
| 10 | Return on investment | Income generated from invested funds | Average invested funds in treasury investments | 5.15% | 3.30% | 56.06% | Mainly due to increased returns on investments |

**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 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.

**48** A large customer of the Company accounts for substantial part of revenue from operations for the year ended March 31, 2023 and constitutes a significant part of outstanding trade receivables and unbilled revenue as at March 31, 2023.

(a) The said customer in its latest published unaudited financial results for the quarter and nine months ended December 31, 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 for settling its liabilities as they fall due. The said customer had also disclosed in the aforesaid results that so far it has met all debt obligations to its lenders / banks and financial institutions along with applicable interest till date.

During the quarter ended March 31, 2023, the said customer in its recent filing with Stock Exchanges informed that it has allotted 16,133,184,899 equity shares of face value of Rs. 10/- each at an issue price of Rs. 10/- per equity share aggregating to Rs. 161,331 Mn to the Department of Investment and Public Asset Management, Government of India (acting through President of India) on account of conversion the Net Present Value of the interest amount related to deferment of spectrum auction instalments and AGR dues.

# Notes to Standalone Financial Statements

for the year ended March 31, 2023
(Amounts in millions of Indian Rupees)

## 48 (Contd..)

(b) The Company, subject to the terms and conditions agreed between the parties, has a secondary pledge over the remaining shares held by one of the customer's promoters 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. However, these securities are not adequate to cover the total outstanding with the said customer.

(c) During the quarter ended June 30, 2022 through the quarter ended September 30, 2022, the said customer had informed the Company that a funding plan was under discussion with its lenders and it 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 at December 31, 2022, the customer had agreed to pay the dues between January 2023 and July 2023.

(d) During the last quarter of the financial year, the funding plan of the said customer did not materialize and the said customer indicated challenges in making the committed payments pertaining to the outstanding amount due as at December 31, 2022. However, the said customer has been paying an amount equivalent to monthly billing from January 2023, hence, the Company continues to recognize revenue from operations relating to the said customer for the services rendered.

Further, the Company had assessed the recoverability of amounts receivable from said customer and recorded necessary allowances as at December 31, 2022 which covers all the overdue outstanding till December 31, 2022. The incremental provision recorded during the quarter ended March 31, 2023 was Rs. 434 Mn and the Company carries an allowance for doubtful receivables of Rs. 54,527 Mn as at March 31, 2023 relating to the said customer.

(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 year, the Company had recorded an impairment charge relating to the revenue equalization assets of Rs. 4,928 Mn up to September 30, 2022 for the said customer and presented it as an exceptional item in the statement of profit and loss. Further, the revenue amounting to Rs. 1,433 Mn on account of straight lining of lease rentals is not recognized in the revenue from operations due to uncertainty of collection.

(f) It may be noted that the potential loss of the said customer (whose statutory auditors have reported material uncertainty related to going concern in its report on latest published unaudited results) due to its inability 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 and amounts receivable (including unbilled revenue) and carrying amount of property, plant and equipment related to the said customer.

**49** 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.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# 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 long-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) without 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 | 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. |
| Revenue Equalization | |
| | 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 |

| **Company Related Terms** | |
|---|---|
| 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 |
| | |
| **Regulatory Terms** | |
| 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 |
| Industry Specific & Other Terms | |
| 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

### Corporate
Building No. 10, Tower-A, 4th Floor, DLF Cyber City Gurugram Gurgaon Haryana 122002 India.

### TOC
1st floor, A-27, Sigma Center, infocity, sector 34, Gurgaon

### Delhi
Indus Towers Limited, Building No.- 10, DLF Cyber City, Tower - A , 4th Floor, Gurgaon -122002

### Punjab and Hayana & HP
Indus Towers Limited, Bestech Business Towers, 1st Floor, Tower A, Industrial Plot No.1, Phase - 9, Sector - 66, SAS Nagar, Mohali - 160059

### Tamil Nadu
Indus Towers Limited, Espee IT Park, NP 5, 5th Floor, Jawaharlal Nehru Road, Ekkatuthangal, Chennai - 600032

### Kerala
Indus Towers Limited, 8th Floor, Vankarath Towers, NH By Pass, Palarivatam, Cochin - 682024

### Gujarat
Indus Towers Limited, Baleshwar Square, 103, SG Highway, Ahmedabad - 380054

### Andhra Pradesh
Indus Towers Limited, Survey No. 133, 4-51, 8 th Floor, SLN Terminus, Next to Botanical Gardens, Gachibowli, Hyderabad-500032

### Rajasthan
Indus Towers Limited, D-34, Subhash Marg, G-Business Park, 3rd Floor, C-Scheme, Jaipur - 302001.

### Karnataka
Indus Towers Limited, No.12, Tower D, Subramanya Arcade, Bannergatta Road, Bangalore -560029 (Karnataka)

### Uttar Pradesh East
Indus Towers Limited, 6th Floor, BBD Viraj Towers, Vibhuti Khand, Shaheed Paath, Gomti Nagar, Lucknow - 226010

### Mumbai
Indus Towers Limited, Skyline Icon, 3rd Floor, Andheri, Kurla Road, Near Mittal Industrial Estate, Andheri East, Mumbai - 400059.

### Uttar Pradesh West
Indus Towers Limited, Okaya Center, Tower No. 1, 2nd Floor, B-5, Sector-62, Gautam Budh Nagar, Noida 201301, Uttar Pradesh

### Maharashtra & Goa
Indus Towers Limited, E Core, Office No.20110, 2nd floor, Marvel Edge, Viman nagar, Pune- 411014.

### West Bengal
Indus Towers Limited, Godrej Waterside Tower – 1, 8th Floor, Plot No. 5, Block – DP, Sector V, Salt Lake Electronics Complex, Kolkata - 700091

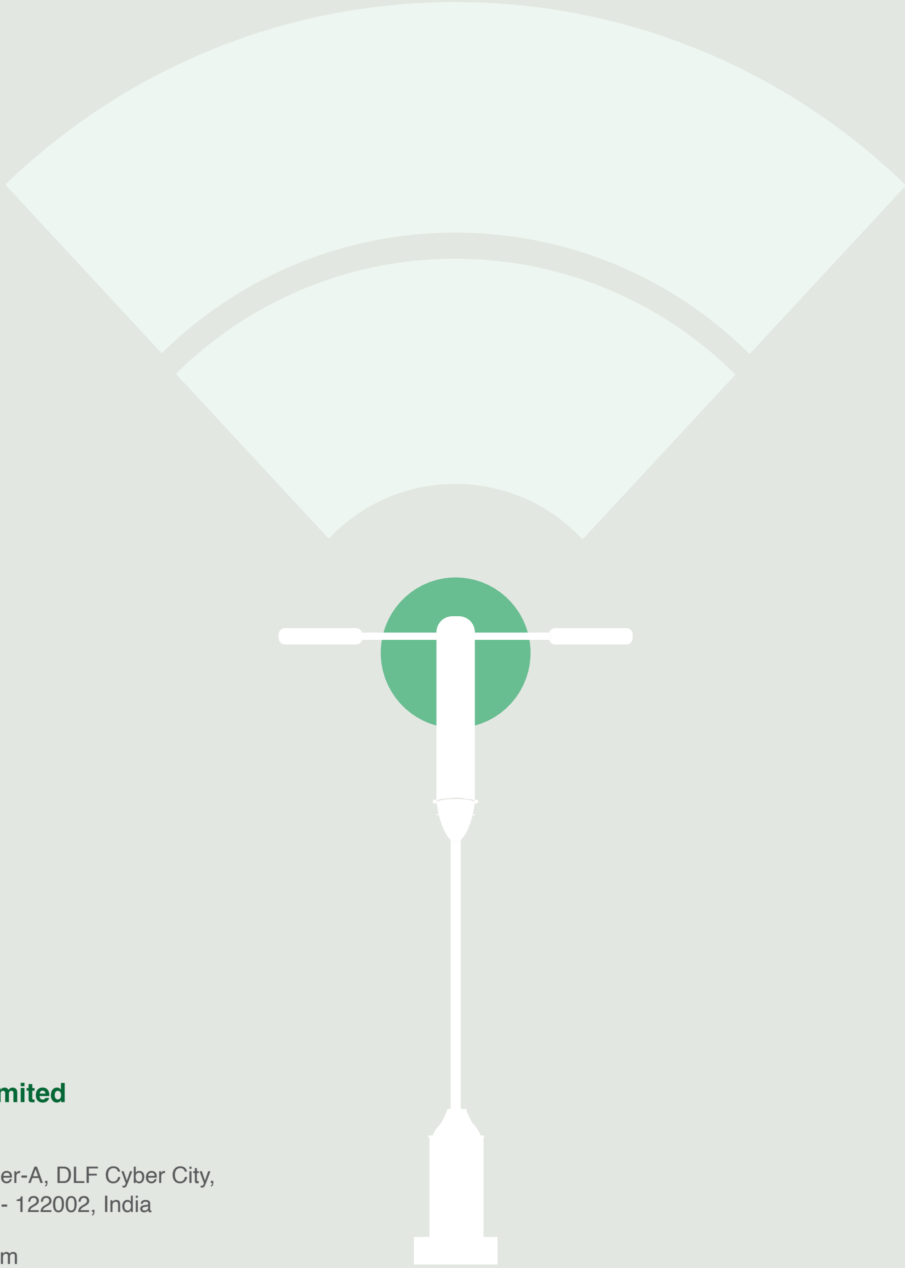
### Assam & North East
Indus Towers Limited, 6th Floor, Bijay Cresent, Above Reliance Trends, Near HDFC Bank, Rukminigaon, Guwahati - 781022, Assam

### Orissa
Indus Towers Limited, 2nd Floor, IDCO Plot No C-3/2, Chandaka Industrial Area, Chandrasekharpur, Bhubaneswar - 751021

### Bihar & Jharkhand
Indus Towers Limited, 2rd & 3rd Floor, Alankar Business Center, Boring Canal Road, Patna - 800001

### Jammu & Kashmir
Indus Towers Limited, 3rd Floor, 29 GMC TRG Complex, Rail Head, Opp. Bahu Plaza, Jammu - 180012

### Madhya Pradesh & Chhattisgarh
Indus Towers Limited, H 3 4th Floor, MetroTower, Vijay Nagar Circle, Indore - 452010



indus
TOWERS

**Indus Towers Limited**

**Registered Office**

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

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