July 12, 2021

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

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

Ref: Indus Towers Limited (534816/ INDUSTOWER)

Sub: Annual General Meeting (AGM) – Notice of 15th AGM and Integrated Report for the Financial Year ended March 31, 2021

Dear Sir/ Madam,

Further to our letter dated July 10, 2021, and pursuant to the provisions of Regulation 30, 44 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that:

- The 15th (Fifteenth) AGM of the Company will be held on Tuesday, August 3, 2021, at 03:30 p.m. (IST) through Video Conferencing/ Other Audio-Visual Means, in accordance with relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. Notice of the AGM along with the Integrated Report & Annual Accounts 2020-2021 is enclosed and is also being sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s). The requirement of sending physical copy of Notice and Integrated Report to the members has been dispensed with vide the aforementioned circulars.

- The Company is offering e-voting facility to its members to transact the businesses set forth in the Notice. The facility to exercise vote by electronic means (i.e. remote e-voting/ e-voting at the AGM) on all resolutions as set out in the Notice will be provided to the members holding shares either in physical or electronic form as on the cut-off date i.e. Tuesday, July 27, 2021. The remote e-voting will commence on Friday, July 30, 2021 at 9:00 A.M. and will end on Monday, August 2, 2021 at 5.00 P.M. (both days inclusive).

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

Indus Towers Limited
(formerly Bharti Infratel Limited)
Corporate Office: Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana I Tel: +91 -124-4296766 Fax: +91124 4289333
Registered Office: 901, Park Centra, Sector 30, NH-8, Gurugram - 122001, Haryana I Tel: +91 -124-4132600 Fax: +91124 4109580
CIN: L64201HR2006PLC073821 I Email: compliance.officer@industowers.com I **www.industowers.com**

Kindly take the same on record.

Thanking you,

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

Samridhi Rodhe
Company Secretary

Encl: As above

Cc:
1. Central Depository Services (India) Ltd., Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai – 400013
2. National Securities Depository Ltd., Trade World, A-Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013
3. KFin Technologies Private Limited, Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032

Powering India's Digital Revolution

Indus Towers Limited
(formerly Bharti Infratel Limited)
Integrated Report & Annual Accounts 2020-21

SHARPER SMARTER *Together*

About the Report

It gives us immense pleasure in presenting the first Integrated Annual Report post-merger of erstwhile Indus Towers Limited with and into Bharti Infratel Limited (Now Indus Towers Limited), which became effective on November 19, 2020.

The report is created adopting the structure as described in the Integrated Reporting framework <IR> as defined by the International Integrated Reporting Council (IIRC). It provides a holistic overview of our philosophy and approach to create true value over long-term for our stakeholders including customers, employees, investors and society at large.

"My sincere gratitude to the Indus field force for their efforts in maintaining the vital connectivity for the larger good of the society."

Message from Chairman

Scan above QR code to see this report online

About Cover

The cover design represents the ecosystem to which Indus Towers caters to. It showcases the relevance of digital connectivity and how Indus Towers is playing an active role in powering India's Digital revolution with its passive infrastructure network.

The relationship capital illustrates the robustness to rapidly mobilize our resources with agility and meet the needs of customers in a dynamic environment.

72

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

Reporting principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards.

Materiality Aspect

This Integrated Report focuses on material developments and issues that have an impact both on financial and non-financial performance indicators. We have tried to cover the aspects that may have a bearing on the business operations and the value created for stakeholders.

Reporting Period

This Integrated Report primarily covers the period of 12 months from April 1, 2020 to March 31, 2021. However, there are sections of the report that represents facts and figures of previous years as well.

Reporting scope and boundary

In the Integrated Report, we have shown the combined strength of both the Companies (including Subsidiary and Controlled Trust, if applicable) for the period from April 1, 2020 to March 31, 2021 and correspondingly figures of last years are also consolidated at 100% to depict comparison and may not be comparable to audited financial statements. However, in the statutory reports, data is reported as per applicable law, regulations and standards of India. Please note that the effective date of merger remains November 19, 2020.

Forward-looking Statements

Some information in this report may contain forward-looking statements. We have based these forwardlooking 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 forwardlooking 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.

Assurance

To ensure the integrity of the financial and non-financial numbers presented in the Integrated Report for the FY 2020-21 (Page no. 1-91), a Limited Assurance Statement on key performance indicators (‘KPIs’) has been obtained from Deloitte Haskins & Sells LLP which is available on our website at www.industowers.com.

Key Company Information

Indus Towers Limited

CIN: L64201HR2006PLC073821

BSE Code: 534816

NSE Code: INDUSTOWER

Listing date: December 28, 2012

Message from Managing Director & CEO

“Despite challenges, the Company enabled connectivity by maintaining the network, which served as a lifeline to the society.”

Corporate Information

Board of Directors

Mr. N Kumar
Chairman and Independent Director

Ms. Anita Kapur
Non-Executive Independent Director

Mr. Balesh Sharma
Non-Executive
Non- Independent Director

Mr. Bimal Dayal
Managing Director & CEO

Mr. Gopal Vittal
Non-Executive
Non- Independent Director

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

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

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

Mr. Ravinder Takkar
Non-Executive
Non- Independent Director

Mr. Sharad Bhansali
Non-Executive Independent Director

Ms. Sonu Bhasin
Non-Executive Independent Director

Mr. 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

901, Park Centra, Sector 30, NH-8, Gurugram, Haryana - 122001, India

Corporate Office

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

Corporate Identification Number (CIN)

L64201HR2006PLC073821

Website

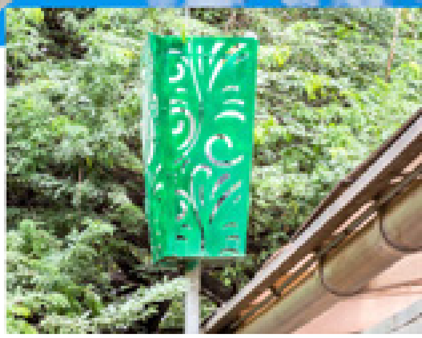
www.industowers.com

~700 Mn
Internet users in India

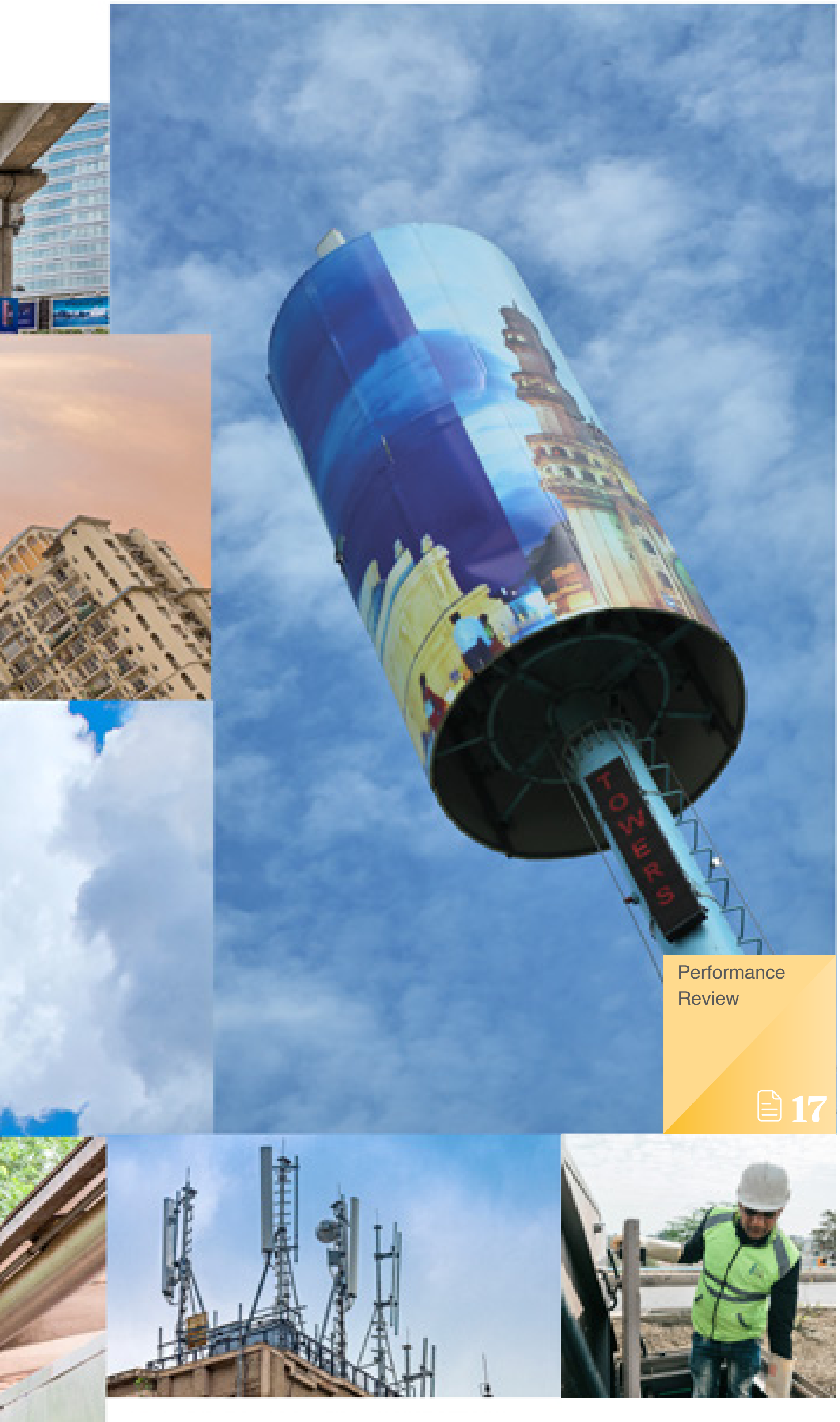
“We are proud to be an integral service provider to realising the country’s vision of ‘Digital India’.”

114%
YoY Increase in net co-locations additions

~19K
Total Registered users of iMapp



Contents



Going digital has emerged as a necessity for the nation - consumers, organisations and individuals. And the robustness of a digital ecosystem relies heavily on a strong network infrastructure. Our commitment to design and deliver innovative and sustainable solutions allows us to be more relevant and resilient in the face of crisis.

While 2020 posed challenges that disrupted peoples' lives, we pivoted on our expertise to accelerate digital revolutions that brought the nation, organisations and people closer to each other.

The pandemic compelled us to not only incorporate significant changes in the way we live life, it also underlined the irrevocable importance of wireless connectivity. At a time when mobility was severely restricted and establishments had come to a standstill, our resilient and dynamic business model supported our commitment to keep the country, economy and people connected.

The telecom industry emerged not just as a key enabler of connectivity, but also powered the nation's progress despite the disruptions caused by the pandemic. To secure the backbone of rapid transformations, our viable and robust infrastructure network played a crucial role to support large scale economic activities.

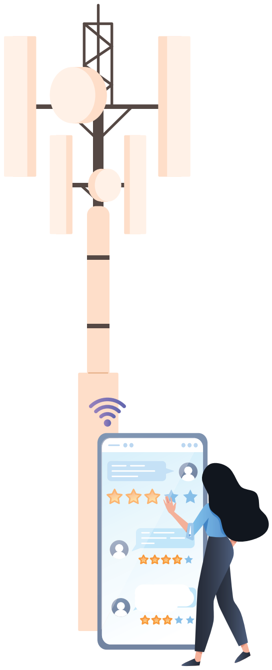
With an unrelenting focus on managing a tremendous demand for connectivity and supporting network consumption patterns in homes and offices, we have rapidly leveraged our capabilities as catalysts for progress and growth.

Along with our customers, we are fulfilling the responsibility to build a cohesive network ecosystem. This will set the pace for a new chapter in digital communications. With promising prospects awaiting us - we are together giving wings to India's digital dreams.

About Indus Towers

One of the largest digital communications infrastructure providers, Indus Towers Limited (formerly Bharti Infratel Limited) provides affordable, high-quality and reliable passive infrastructure services to the growing digital connectivity needs of India.

We remain committed to truly living by our credo of 'Putting India First and Connecting Lives' across the Nation. We acquire, build, own, operate and maintain tower and related infrastructure to keep the country connected at all times. Wireless telecommunications service providers in India rely on our robust infrastructure to ensure seamless connectivity. With over 179,225 towers and 322,438 co-locations (as on March 31, 2021) spread across 22 telecom circles, we form the foundation of uninterrupted digital services for millions of people. Resting on the strength of our infrastructure, telecommunication service providers continue to deliver 'mission-critical' services that keep the wheels of the economy rolling.



Vision*

To be the best and most innovative passive communications infrastructure provider globally.

Known For:

- Highest uptime
- Speed & Quality of deployment
- Cost & Energy efficiencies
- Environment friendliness

Growth Enablers

- Trailblazing the Way
- Disrupting the Norm
- Staying Ahead of the Curve
- Going Green

*We are in the process of identifying our vision statement post-merger.

Value framework

Indus Towers' value framework balances the interests of all stakeholders and is based on fair and consistent treatment which is key to our long-term success.

Excellence

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

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.

Customer

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

Integrity

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

An effective collaboration strengthens the foundation for sustained value creation. The merger of Bharti Infratel and erstwhile Indus Towers reiterates our ambition to successfully fulfil the nation's digital connectivity needs. Today, the merger of two legacy entities positions Indus Towers as the largest passive infrastructure company in India and one of the largest in the world.

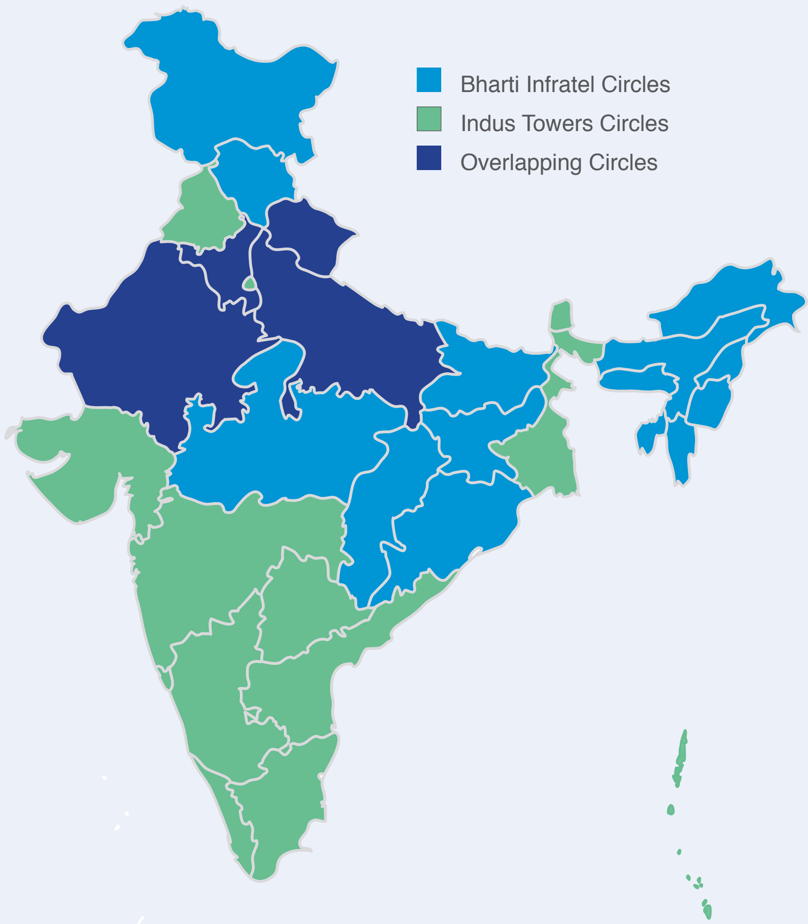
The true value of this merger lies in the shared heritage and strengths of both the companies. Our extensive market presence and ability to demonstrate sustainable growth in the years to come is a testimony to our potential to maximise value creation for stakeholders. Since the merger on November 19, 2020, our teams hit the ground with a stronger framework, ensuring no disruptions for customers. As the country speeds ahead to realise the vision of a 'Digital India', this merger is a definitive step forward, unlocking value for the telecommunications sector as a whole.

The merger brings to the fore a newfound combination of joint assets, expertise and capabilities to enrich the country's digital communications infrastructure. With a combined portfolio of assets and a talented leadership team, the merger has resulted in a smooth transition and collaboration of functions within the Company. Together, we are confident about nurturing our capacities to enhance our relevance in a dynamic industry and demonstrate unmatched resilience to overcome obstacles in our path and explore emerging industry opportunities.

Strengthening our

Pan India

presence



Note: Map not to scale

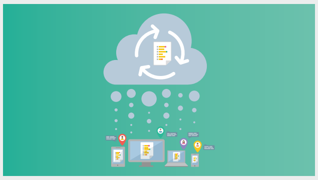
Bharti Infratel as on September 30, 2020* | Erstwhile Indus Towers as on September 30, 2020* | Combined Strength as on March 31, 2021#

On roll employees

- Bharti Infratel as on September 30, 2020*: 1,275
- Erstwhile Indus Towers as on September 30, 2020*: 2,316
- Combined Strength as on March 31, 2021#: 3,442

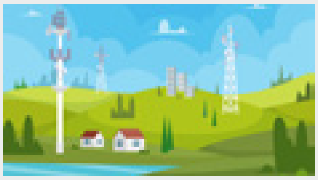
Towers set-up

- Bharti Infratel as on September 30, 2020*: 43,110
- Erstwhile Indus Towers as on September 30, 2020*: 128,984
- Combined Strength as on March 31, 2021#: 179,225



Co-locations

- Bharti Infratel as on September 30, 2020*: 76,565
- Erstwhile Indus Towers as on September 30, 2020*: 237,541
- Combined Strength as on March 31, 2021#: 322,438



Green Sites

- Bharti Infratel as on September 30, 2020*: 11,438
- Erstwhile Indus Towers as on September 30, 2020*: 54,563
- Combined Strength as on March 31, 2021#: 74,353

Cumulative Investment@ (₹ in Mn)

- Bharti Infratel as on September 30, 2020*: 155,458
- Erstwhile Indus Towers as on September 30, 2020*: 397,354
- Combined Strength as on March 31, 2021#: 568,352

*The date of 30th September is given as a quarter ending date for ease of compilation of data. The effective date of merger remains November 19, 2020.
#The combined strength figures, as on March 31, 2021, do not represent cumulative figures, as the independent figures relate to pre-merger period i.e. September 30, 2020.
@Cumulative Investments comprise gross fixed assets net of retirements/ disposals (including Capital Work in Progress).

Resilience at the time of crisis

The year 2020 emphasised the importance of being connected, virtually. Catering to a massive demand for data and uninterrupted network connectivity, we played an integral role to keep people closer to each other through digital connections.

99.96%

Average Uptime at our sites in FY 2020-21

10,000+

Net Towers added in FY 2020-21

90%

Front-line field force responsible for maintaining network connectivity were on the ground, despite Covid lockdown related challenges

COVID-19 did bring its share of havoc in the lives and livelihood of people across the world, including India. However, it also broadened the role and responsibility of the telecommunications service industry, putting forth an immense need to embrace digital connectivity. At Indus, our business model is centered around serving our customers. Our proven ability and focus on building a superior network infrastructure for telecom connectivity proved critical at a time when internet connections emerged as lifelines. As the world reeled under the novel Coronavirus, 'social distancing' and 'work from home' arrangements emerged as need of the hour. What transpired thereafter, was a phenomenal spike in demand for seamless network connectivity to keep businesses operational and people connected, despite social distancing protocols.

Not only did our team worked round-the-clock to deliver uninterrupted service, we clearly positioned ourselves as a leader in delivering the best value to our customers and to every Indian in the country. Our infrastructure became the backbone of connectivity for businesses, educational institutes, offices and healthcare systems. Our robustness, agility and responsiveness during the pandemic proved our commitment to our valued patrons. Despite challenges, the determination and perseverance of our workforce enabled us to sustain our services. Valuing their relentless efforts, we stood by our people in times of crisis. Not only did we prioritise their health and safety, but also implemented methods to ease anxiety and improve productivity during these tough times.

Enabling Digital Connectivity for All

Our business model forms the backbone of the country's digital dreams. As a critical enabler of voice and data connectivity for millions of Indians, we are proud to partner the country's vision of 'Digital India'.

Shared infrastructure is a crucial step towards India's aspirations to cover a larger part of the population, across the length and breadth of the country. As wireless connectivity, data consumption and demand for superior services from telecom operators and network infrastructure providers continue to surge, we stand at a pivotal juncture in India's growth story. Besides, as India prepares to welcome 5G, we remain in anticipation of a new era of digital connectivity.

India is experiencing a digital revolution and more is yet to unfold.

Internet penetration in India stands at

45%

in 2021*

From a mere

4%

in 2007

~700 Mn

Internet users in India#

world's second largest internet user base

Make in India & Digital India

remain at forefront to build the socio-economic development of the nation

Bharatnet

Initiative is expected to connect six lakh villages in India by 2024

Digital connectivity is anticipated to phenomenally improve the economic value of these sectors

- Global IT and digital services Hub (cybersecurity, cloud, big data analytics, social media etc)
- Digitally enabled agriculture services
- Remote and other innovative healthcare operating models
- Digital Payments
- Digital and Analytics (including IoT)
- Digitised Power Infrastructure
- Industry 4.0
- Government e-market place (GeM)
- Digital citizen services
- Online skilling and work platforms
- Mobile application ecosystems
- Digital media and entertainment

Source:

*Statista

#McKinsey Global Institute Report - India's turning point

Why is Indus Towers the foundation of India's future connectivity

Board and Leadership

Our eminent Board of Directors and dynamic leadership team brings unmatched expertise that allows Indus to continuously improve and stay ahead of the curve.

Capex and Opex Savings

Co-sharing and tenancy model results in significant savings in capex and opex for telecom players with better margins and cash flow

Social-Economic Benefit

Optimum tower installations and shared tenancy results in reduced energy consumption

Knowhow

Our deep domain expertise of more than

15

years leads to better management of assets

Robust Financials

Our robust balance sheet and strong cash flow from operations position us to deploy our resources for wider network infrastructure rollout

Our debt-equity levels of

0.51x

and Net Cash flow from operating activities of

₹ 107,563 Mn

position us to deploy our resources for wider network infrastructure rollout

Technology Competence

Among the largest players to rollout technologies like 4G / 3G, small cell, fibre network and smart city infrastructure.

Faster Deployment

Quick set-up of towers and ancillary services to result faster go-to market time for telecom players

Pan-India Coverage

Presence across

22

circles with

179,225

towers

Economies of Scale

Prudent capital allocation with centralised planning and operation of assets

A robust balance sheet and improved performance that delivers consistent returns to shareholders.

51.6%
EBIDTA margin

₹ 18.46
EPS

₹ 568 Bn
Cumulative investments

19.4%
Net Profit Margin

₹ 853 Bn
Enterprise value

1.46
Net Debt/EBITDA

22.1%
ROCE

₹ 660 Bn
Market capitalization as on March 31, 2021

Positioned to Lead

As Indus Towers makes uninterrupted digital connectivity a reality for millions of Indians, we believe in the relevance of our business model to initiate lasting change within the industry as well as the communities in which we operate. Our agile processes act as a catalyst for serving the emerging needs of a 'new normal', aided by unabated growth of data consumption and seamless digital connections.

Our vision is aligned with

India's Digital

Aspiration

Leading Player in

4

smart city projects in India

Largest

Telecom infrastructure player in India

Inclusive

business model to co-create value for customers, landlords and suppliers

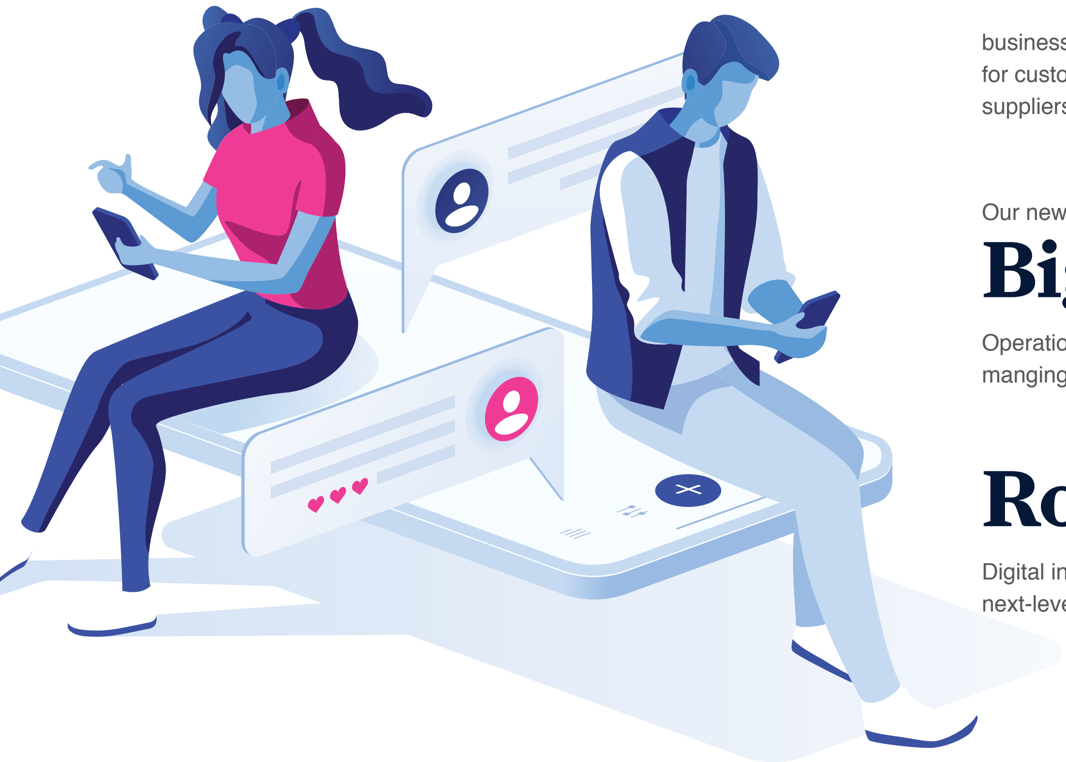
Our new TOC is the

Biggest

Operations centre in NOC industry, manging 200+ OSS under one roof

Robust

Digital infrastructure to unlock next-level growth



Performance Review

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

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income. Further, EBITDA, EBIT and Net margins have been computed on revenue excluding other income.
2. Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to current period classifications.
3. Effective April 1, 2019, the Company adopted Ind AS116 "Leases". The result for the year ended March 31, 2020 onwards includes the impact of Ind AS116 hence are not comparable with the past period results. With the adoption of Ind AS 116 definition for Financial KPIs – 'Operating Free Cash Flow' and 'Adjusted Fund From Operations'; Key Ratios – 'Net Debt / (Net Cash) with Lease Liabilities to EBITDA', 'Interest Coverage Ratio', 'Return on Capital Employed Pre Tax', 'Return on Shareholder's Equity Pre Tax / Post Tax' and Valuation Indicators – 'EV/EBITDA' have been revised. Refer Glossary for previous and revised definitions.
4. Valuation Indicators for periods prior to year ending March 31, 2021 are revised based on current outstanding share capital to make the data comparable.
5. Above numbers are based on Proforma unaudited consolidated financial results prepared assuming merger was effective from April 1, 2017 and hence, considered the effect of merger since then as per pooling of interest method in accordance to Appendix C of Ind AS 103. The consideration given to the shareholders, cancellation of Investment of Infratel in erstwhile Indus and recording of assets, liabilities and reserves at carrying value of erstwhile Indus has been considered in these results for all the periods presented. Hence, the results include the combined operation of Infratel and erstwhile Indus on line by line basis and line by line consolidation for its subsidiary and the controlled trust.

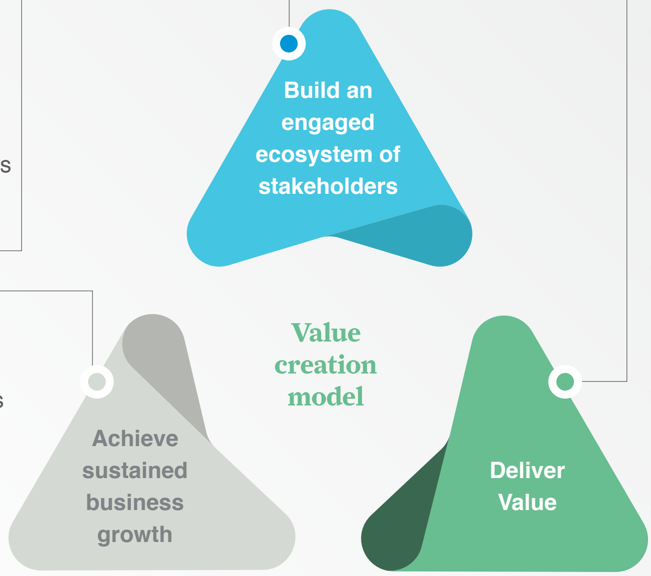
Note: Above numbers are based on Proforma unaudited consolidated financial results

Our Business Model

As an integral player in the digital ecosystem, we play a fundamental role as a service provider to bridge the digital gap and render cost-effective digital infrastructure services that are sustainable and future-ready.

Value creation model

- Customers
- Employees
- Partners
- Shareholders
- Regulators

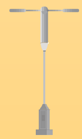


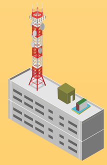
- Use of innovative technologies
- Robust Balance sheet
- Investment in greener solutions

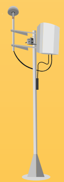
- Affordable, shared tenancy and cost-effective infrastructure solutions for our customers
- Reduce environment footprint
- Uninterrupted voice and data connectivity
- Support communities

Our offerings


Ground base tower


Smart Poles


Roof-top Tower


Small Cells


Fibre backhaul

Business process

Site identification
Based on our customer's requirement, a suitable location is identified. Site identification is a critical process ensured by the acquisition team to warrant continual expansion of our portfolio of assets for long term business sustainability.

Deployment of Site
Once a location is identified, we lease the location from the owner and deploy our tower infrastructure.

Infrastructure sharing
The established tower infrastructure is rented out to wireless tenants under long-term agreements (known as Master Service Agreements [MSA]), for a specified fee. The tenants own and operate active equipment like, Antenna and BTS on the site.

Sustainable revenue model
The co-locations are leased for a period of more than seven years with exit penalties, helping us build recurring revenue streams.

Margin accretive
High Operating leverage – Additional tenancy on existing sites provides higher rental revenue increase relative to change in operating expenses, resulting in high operating leverage translating to higher profitability margin and wealth creation for stakeholders.

Input

Financial Capital

CAPEX: **₹ 35,868 Mn**

OPEX: **₹ 124,154 Mn**

Debt Equity ratio: **0.51x**

Total shareholders capital: **₹ 26,949 Mn**

Manufacturing Capital

Tower base : **179,225**

No of offices: **127**

Co-locations: **322,438**

States/UTs present in India: **36**

Intellectual Capital

Average experience of Board: **30+ years**

Average experience of leadership team: **20+ years**

State-of-the-art Tower Operating Centre (TOC)

Robust systems and processes

Human Capital

On-roll employees: **3,442**

Employee benefit expenditure: **₹ 7,681 Mn**

Spent on training and development: **₹ 21 Mn**

Social and Relationship Capital

Number of shareholders: **81,890**

Number of customers: **All telecom operators**

Number of suppliers: **2,400+**

Spent on social and community initiatives **₹ 1,606 Mn**

Natural Capital

Sites electrified: **99.2%**

Solar sites: **2,937**

Output

Financial Capital

Revenue from operations: **₹ 256,729 Mn**

Operating free cash flow: **₹ 71,240 Mn**

EBITDA: **₹ 132,575 Mn**

PAT: **₹ 49,751 Mn**

EPS: **₹ 18.46**

Manufacturing Capital

Market Presence: **22 circles**

Uptime: **99.96%**

Increasing **cost efficiency** for telecom operators

Closing sharing factor: **1.8**

Intellectual Capital

New initiatives rolled out: **25**

Structural solutions: **7**

Energy solutions: **18**

Certifications possessed: **ISO 27001:2013, ISO 22301:2012** and **ISO 9001:2015**

Tower Operation Centre (TOC)- **Two 'industry first'** services to enable quick decision making.

Human Capital

Attrition rate: **8.39%**

Man days of training: **12,673**

Internal succession rate: **65%**

Diversity (Gender and PWD): **7%**

Social and Relationship Capital

Lives impacted through CSR activities: **1.6 Mn+**

CSR Projects undertaken: **9**

Contribution to Exchequer: **₹ 39,198 Mn**

Dividend per share: **₹ 20.12**

Partner satisfaction Index: **88**

Customer satisfaction score: **4.37**

Natural Capital

Reduction in diesel usage over two years in terms of per KW consumption: **20%**

Green sites: **74,353**

Outdoor sites enabling us to reduce our environmental footprint (%): **85**

Green sites network: **41%**

Outcomes

- Sustained revenues
- Increase in EBIDTA margins
- Steady cashflows
- Continuous value creation for stakeholders

- Promoted tower sharing
- Robust on-field processes
- Aggressive tower addition
- Strong operational and maintenance systems ensuring high uptime

- Robust corporate governance structure
- Innovative mechanism and processes to empower cost effective solutions for our customers
- Technology-powered applications
- Seamless information flow and real-time decision making
- Automation of operational services

- Protect the legitimate rights and interests of employees
- Safe, fair and healthy workspace
- Inclusive workplace
- Professional and personal growth opportunities
- Continuous learning and development opportunities

- Improved service quality to meet the customer demands
- Promoted quality education and imparted digital literacy
- Automated solutions for stakeholders to strengthen relationships
- Providing constant customer service through i-Care for landlords
- Contributed to the well-being of local communities

- Putting green policies into practice in the office work
- Reduced dependency on fossil fuels
- Improved network reliability due to automation at sites
- Utilised resources for better waste management

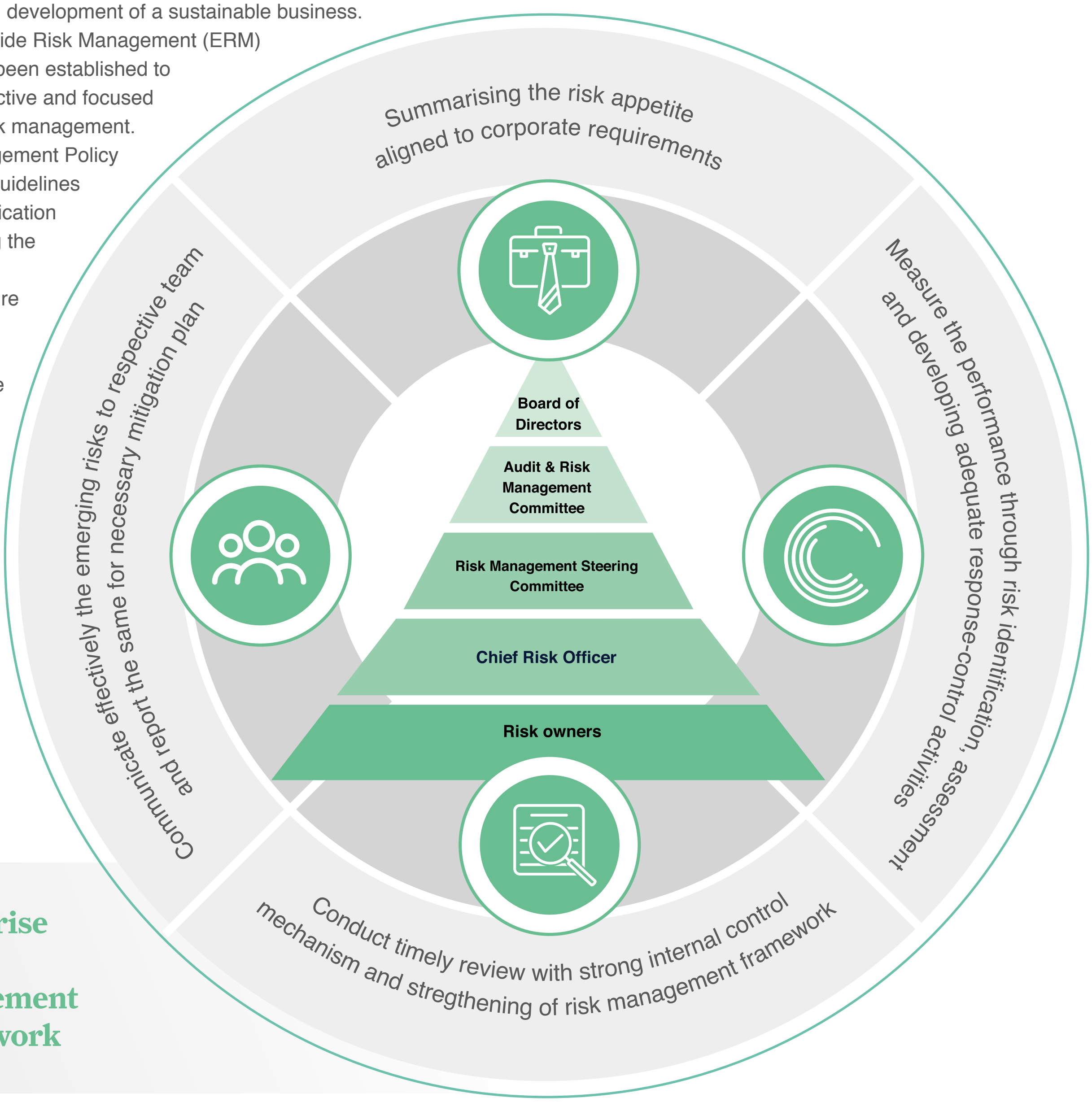
Contribution to UNSDGs

8 · 12 · 9 · 11 · 3 · 5 · 3 · 4 · 6 · 7 · 13

Risk Management

Our risk identification and mitigation framework identifies significant economic, environmental, social and governance risks that can potentially influence our decision making, while impacting our ability to create value for the long-term and prioritize relevant actions to mitigate the risks.

Indus Towers believes that risk management and internal controls are fundamental to effective corporate governance and development of a sustainable business. An Enterprise-wide Risk Management (ERM) framework has been established to maintain a proactive and focused approach on risk management. Our Risk Management Policy lays out broad guidelines for timely identification of risks affecting the Company in the foreseeable future and prioritize relevant action that can mitigate these risks.



Enterprise Risk Management Framework

Internal and External risks

1. Unpredictable economic outlook and ongoing pandemic
2. Natural disasters
3. Technology disruption and innovation
4. Client concentration
5. Regulations and reforms
6. Cyber threat
7. People safety
8. People retention
9. Asset management
10. Billing and dispute management
11. Partner management

1 Unpredictable Economic Outlook and Ongoing Pandemic

Description and challenge

The onset of COVID-19 pandemic since 2020 has caused challenges on multiple fronts, leading to significant economic downturn in businesses across sectors. Such unforeseen disruptions can impact consumer demand, disrupt supply chains, productivity of employees, etc. and may risk overall financial health and human capital of the Company.

Mitigation strategy

- Categorized as an essential service provider, we continued to operate during the lockdown to ensure uninterrupted telecom connectivity across the country. As the demand for data and call connectivity surged due to a greater need to adapt to remote working norms, ensuring seamless connections became a necessity.
- Increasing penetration of smartphones, even in Tier-II, III and IV towns have resulted in higher data consumption and demand for new site installations.
- We created SOPs for our sites and offices ensuring strict adherence to COVID-19 protocols for our site engineers and employees.

Way forward

Telecom sector is the backbone of business continuity and social connectivity today. As the second COVID-19 wave continues to cause disruption, remote working is expected to further increase data consumption at work and for personal use. We partner with leading telecom players to enable cost-effective and efficient roll-out of their services.

Capital Impacted

- Manufacturing Capital
- Financial Capital
- Human Capital

Risk Management (contd..)

2 Natural Disasters

Description and challenge

The Company's telecom infrastructure is subject to risk from natural disasters or other external factors. Such natural disasters and failures thereon may cause disruption, though temporary, to the Company's operations.

Mitigation strategy

- We insure our assets equal to the current replacement value of our existing telecommunications network, providing adequate cover for damage caused by natural disasters.
- We rely on business continuity plans and disaster recovery initiatives that ensure continuity of normal operations and seamless service for our customers.

Way forward

We continue to step up our efforts in building capabilities to combat unexpected climate changes and natural disasters.

Capital Impacted

Manufacturing Capital

Natural Capital

3 Technology Disruption and Innovation

Description and challenge

Sustainability of an enterprise depends upon its ability to adapt to a changing technological landscape and to meet the needs of its customers by offering them innovative and cost-effective solutions. Our unpreparedness to implement new technologies like ICT technology (leading to obsolescence of telecom towers)/ policy initiatives (5G/ IoT / Digitization) might impact our revenue generation in the long-term.

Mitigation strategy

- At Indus Towers, we leverage innovation and technology to provide future-ready solutions to our customers.
- Our technology and IT team partner with our telecom customers for integrating various new technologies at our sites, that will strengthen their network service.
- Further, we continue to design advanced methods and stay abreast with new technologies like, 5G, to promote resource and sharing that aid the growth of smart cities.

Way forward

For years, we have led from the front in passive telecom infrastructure, with solutions that have created value for our customers and other stakeholders at large. The evolution of newer technologies only positions us better to leverage our network presence, experience and capabilities to further strengthen our market leadership.

Capital Impacted

Intellectual Capital

Manufacturing Capital

Financial Capital

4 Client Concentration

Description and challenge

The Indian telecom industry has witnessed operator consolidation, with the number of operators reducing from 14 at its peak to 4 today. The industry composition is now structured with limited number of telecom players. Further consolidation either in number of players or their network footprint, could lead to material reduction in revenues and profitability. It may also impact the incremental revenue potential from these operators.

Mitigation strategy

- We have long-term contracts with our customers along with exit charges to safeguard any unforeseen revenue fall.
- We partner with our customers in close collaboration to ensure seamless telecom connectivity for their end-users. We strive to develop and enrich our service portfolio for our customers.
- Our cost efficiencies and faster deployment of towers across India, make us the preferred choice for all telcos, helping them save on their capex and opex.

Way forward

We continue to strengthen and diversify our offerings to create stronger and mutually beneficial relationship with our customers.

Capital Impacted

Social and Relationship Capital

Manufacturing Capital

Financial Capital

5 Regulations and Reforms

Description and challenge

The operations of the Company are subject to rapidly evolving regulatory landscape with associated laws, regulations, policies that can have a negative impact. Issues such as imposition of license fee on IP1s or similar new taxes; issuance of guidelines impacting TowerCo business model and adverse outcome on litigation(s) could lead to significant financial exposure.

Mitigation strategy

- We are actively associated with industry bodies like TAIPA, COAI etc. to participate in discussions that need attention.
- We continuously monitor the changes in the regulatory landscape and restructure our business model to changing industry dynamics.
- We have built a robust governance structure, sound policy framework and vigilant monitoring mechanism to ensure proper compliance to rules and regulations.

Way forward

Our proactive attitude enables us to keep pace with a changing regulatory landscape. We continue to create opportunities to participate in industry events and remain relevant in a dynamic business environment.

Capital Impacted

Social and Relationship Capital

Risk Management (contd..)

6 Cyber Threat

Description and challenge

An external cyber-attack could result in service interruption or the breach of confidential data. This could affect business operations, revenue and reputation, and lead to additional costs.

Mitigation strategy

- We maintain a stringent security profile, supported by sound policies and state-of-the-art tools and systems.
- We review these policies, tools and systems regularly to assess and remedy security issues, if any.
- We upgrade our processes, personnel and tools to efficiently deal with data threats and comply with all statutory and other requirements.

Way forward

We will continue to judiciously review and enhance our cyber security capabilities to protect the privacy of our customers', employees' and partners' data.

Capital Impacted

Intellectual Capital

Social and Relationship Capital

7 People Safety

Description and challenge

Inability to safeguard health of employees, including inherent risk of working in the field and occupational challenges could affect long-term business sustainability.

Mitigation strategy

- We continuously review and upgrade safety protocols, culture and programs.
- Defined critical controls are in place to monitor, review and provide feedback on multiple facets of safety and health of employees.
- Adequate safety gear for site engineers are also provided.

Way forward

Our unrelenting focus on the safety of our employees allows us to closely work with our team and assist them to obtain the best results.

Capital Impacted

Human Capital

8 People Retention

Description and challenge

Loss of one or more members of the Senior Management, or inability to attract and retain employees, may affect the Company's business and prospects.

Mitigation strategy

- Succession planning for Senior Management to ensure business continuity.
- People policies for attracting and retaining talent help to drive business growth.

Way forward

We continue to focus on retaining key talent and continue to build a robust leadership pipeline to aid the Company's growth.

Capital Impacted

Human Capital

Intellectual Capital

9 Asset Management

Description and challenge

Inherent weakness in asset management leading to misstatement of financials, non-optimal utilization of assets or physical shortages.

Mitigation strategy

- Regular and close monitoring of asset movement and its optimal utilization.
- Managing refurbishment of assets deemed for repair.
- Timely physical verification of assets deployed on the sites.

Way forward

We continue to strengthen our asset management facilities to ensure its optimal utilization.

Capital Impacted

Financial Capital

10 Billing and Dispute Management

Description and challenge

Disputes in billing may impact the profitability and cash flows of the organisation.

Mitigation strategy

- Monitoring billing accuracy by ensuring access to complete and accurate data from field for active assets.
- Timely resolution of contractual disputes through monthly review of customer disputes and monitoring.

Way forward

We continue to monitor disputes on a regular basis and regular monitoring of the energy billing model to ensure timely revenue generation and cost management.

Capital Impacted

Financial Capital

Human Capital

Social and Relationship Capital

11 Partner Management

Description and challenge

High dependence on IME/OME partners leads to operational challenges.

Mitigation strategy

- Monitoring the share of business allocated to the partners.
- Regular performance evaluation and completion of action plans.
- Evaluation of the financial health of partners.

Way forward

We largely depend on the OME/IME partners and therefore, we would continue to monitor and evaluate their performance regularly.

Capital Impacted

Human Capital

Social and Relationship Capital

The above section discusses 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.

Stakeholder Engagement

At Indus Towers, we align our long-term business objectives with the expectations and requirements of our stakeholders. We continue to build a transparent and effective communication model for our stakeholders that strengthens our resolve to fulfil organisational goals and build a sustainable business entity.

	Why these stakeholders are important to us	Strategic Priorities
Investors	Our investors play a vital role in our success and growth story. They provide the capital essential to run our business.	• High Return on Investments • Capital allocation • Transparent disclosure practices for them to take informed investment decisions
Government, Legislation and Regulators	Constructive relationships with government are critical to our business continuity. We monitor regulatory developments and policies closely, thereby participating in progressive discussions.	• Compliance • Adherence to environmental laws • Interest of minority shareholders
Supply Chain (Suppliers/ Vendors, Bankers)	We partner with our suppliers to ensure an effective and efficient procurement process for seamless business operations.	• Reliable payment schedules • Timely redressal of any queries • Long-term partnerships
Customers	Our Customers are the foundation of our sustainability and long term success. Customer Delight remains at the centre of everything we do. We in turn are integral to their business as they are largely dependent on our services to reach the market on time.	• High uptime • Immediate resumption of service in case of service breakdown • Faster resolution of queries • Innovative solutions
Employees	Our employees are invaluable assets and fundamental to our sustained growth. They play a crucial role in strengthening our competitiveness and reaffirming our market leadership.	• Employee benefits • Safe working environment • Career progression • Equal opportunities and treatment
Communities	Empowering lives of people within the communities we operate remain fundamental to our business sustainability. We continue to strengthen our relationships with the communities and transform their lives through various upliftment programs and initiatives.	• Contribution to society • Provide opportunities for self-sustenance and empowerment • Empower livelihoods

Form and frequency of engagement		Capital Linkage
• Investor meetings: one-on-one and group • Conferences • Stock Exchange releases	• Annual and Quarterly reports • Website updates	Social Capital Financial Capital
• Regular meetings on any major developments / reforms pertaining to the industry • Submission of quarterly, half-yearly and annual compliance reports	• Direct engagement with authorities at regional levels • Timely payment of levies and taxes • Conduct site/office visits for their review	Relationship Capital Financial Capital
• Continuous engagements through written mediums (email) as well as workshops • Supplier audits and visits	• Annual vendor meetings • Real time updates on 'Supplier Portal' • PSAT to ensure continuous improvement	Relationship Capital Manufacturing Capital
• Conduct regular meetings • Understand their future and current requirements through detailed sensitivity analysis	• Basis the load required on each tower, make necessary modifications • Annual customer satisfaction surveys	Relationship Capital Financial Capital
• Employee engagement surveys • Provide growth and development opportunities • Communication through emails and letters	• Build and strengthen collaboration in the workplace through extensive learning and training modules • Maintain a healthy and safe work environment	Human Capital
• Engage regularly with community representatives • Participate in conferences, roundtable discussions and summits to widen the reach	• Holistic approach towards communities with a detailed program and benefit analysis	Social & Relationship Capital

Message from Chairman

Dear Shareholders,

It is my privilege to address all of you, for the first time, as Chairman of Indus Towers, a Company formed by merger of erstwhile Indus Towers with and into the Company (formerly Bharti Infratel and now Indus Towers).

The COVID-19 situation has evolved further and we are dealing with an increasingly challenging year, on a scale that has not been seen yet. Medical professionals and other essential workers around the world are putting themselves at considerable risk to treat the sick and contain this pandemic under the gravest of circumstances. We are thankful to them and express our solidarity in these trying times. My sincere gratitude to the Indus field force for their efforts in maintaining vital connectivity for the larger good of the society, which is nothing short of serving the country and humanity in these challenging circumstances.

We are glad that the country is staging a recovery and cases of COVID-19 have decreased. However, we assure our stakeholders that we are aware of the possibility of a 3rd wave and your Company is preparing to face imminent challenges.

As one of the largest telecom tower companies in India, Indus Towers combatted the COVID-19 pandemic by ensuring minimal disruption to the customers while assuring employee safety and well-being. The telecom infrastructure companies continue to play a critical role in keeping businesses, governments and other institutions connected and operational. India continues to witness strong data growth, with total data traffic increasing by 36% YoY in FY 21 and average monthly data traffic per user increasing by 20.4% YoY in FY 21, driven by continued adoption of 4G and increased data consumption during the lockdown. Many telecom players have benefitted from the surge in the traffic of data usage and voice. As a result, the telecom infrastructure sector is performing better in comparison to the other sectors.

FY 21 marked a momentous year for the Indian Telecom Sector. While last year's headlines were dominated by AGR dues, this year heralds the news of auctions, fund raising by telecom operators and 5G readiness. Potential tariff hikes by operators are likely to lead to overall improvement in the health of telecom service providers, resulting in an anticipated increase in their network spend. This should further bolster the health of telecom operators in the next few years and should result in stronger business outcome for Indus Towers.

The regulatory body, TRAI, in line with similar global developments has already offered a proposal for IP-1 registration holders to participate in active infrastructure sharing. Relevant regulations in this direction will provide the infrastructure industry players the path to go beyond traditional macro towers and create a wider business model where adjacent opportunities are also explored.

With regard to the merger of erstwhile Indus Towers Limited with and into the Company, the long-awaited merger scheme came into effect on November 19, 2020. The Company received fresh Certificate of Incorporation for changing the name of the Company from Bharti Infratel Limited to Indus Towers Limited, effective December 10, 2020. As part of the scheme, Vodafone Idea Limited had elected to receive cash for its 11.15% shareholding in erstwhile Indus Towers, which amounted to ₹ 37,642 Mn. Of the above, the Company received ₹ 24,000 Mn as part of its security package and the balance ₹ 13,642 Mn towards payment of past MSA dues, thus making the above a cash neutral transaction for the merged company.

For their 42% and 4.85% shareholding in erstwhile Indus Towers, Vodafone Group Plc and Providence were allotted approx. 758 Mn and 87 Mn equity shares, aggregating to 28.12% and 3.25% respectively, in the post-issue share capital of the Company. Bharti Airtel held 36.73% shares following the above allotment. Bharti Airtel has since then acquired additional stake of just under 5% through the open market, taking its holding to 41.73% in the Company. Together, Bharti Airtel and Vodafone Group are classified as promoters of the Company and they own 69.85% shares of the Company, as on March 31, 2021.

Upon effectiveness of the merger, the Board of the Company was reconstituted. I take this opportunity to place on record my sincere appreciation for the valuable contribution made by my eminent board members during their tenure and welcome the new members on the Board of Indus Towers.

Post-Merger, Indus Towers has a nationwide presence with operations in all the 22 telecommunication circles in India and caters to all wireless telecommunication service providers in India. The combined strength and highly complementary footprints of both the Companies will enable us to offer superior quality shared passive infrastructure services needed to support the pan-India expansion of wireless broadband services for the benefit of Indian consumers and businesses around the country.

Operationally and financially, Indus Towers saw a strong FY 21. We have witnessed the highest gross tower addition in the last ten years, an improvement in the number of co-locations and reduction of churn over the last year. The last three years have also seen a continuous improvement in network uptime for our customers.

For the year, the Company reported *consolidated revenues of ₹ 256,729 Mn (up 0.4% YoY), *EBITDA of ₹ 132,575 Mn (up 4.2% YoY) and *Profit after Tax of ₹ 49,751 Mn (down 1% YoY). The Company has declared total dividend of ₹ 20.12 per share for FY 21.

In conclusion, our outlook for the sector remains positive, riding on a huge upsurge in data demand and the need for a better-connected nation in the post pandemic world. The introduction of new technologies will further intensify the role of passive infrastructure players like us. Indus Towers, with its nationwide presence and several industry best benchmarks stands in good stead to invest and capitalize on these opportunities.

Regards,

N Kumar
Chairman

"FY 21 marked a momentous year for the Indian Telecom Sector. While last year's headlines were dominated by AGR dues, this year heralds the news of auctions, fund raising by telecom operators and 5G readiness."

*To show the combined strength and for effective comparison, the consolidated numbers of the Company and erstwhile Indus Towers for the period from April 1, 2020 to March 31, 2021 (and corresponding numbers of previous financial year) have been shown assuming merger was effective from April 1, 2019. However, the effective date of merger remains November 19, 2020.

Message from Managing Director & CEO

Dear Shareholders,

Hope you are keeping well in these unprecedented and difficult times of the second wave of COVID-19 that our country is facing. Let us keep our head down to protect each other to the fullest extent possible.

FY 21 was a unique and challenging year for Indus Towers. On one hand, the Company battled the pandemic while on the other, there were a series of natural calamities like Nivar, Nisarga and Amphan – unprecedented in scale in recent times and impacting areas that were not earlier prone as well. Despite these challenges, the Company enabled connectivity by maintaining the network, which served as a lifeline to the society. Post these calamities, not only has the Company become much more relevant to the society and the nation but our operating business model has also proved its effectiveness.

While our employees are working overtime to ensure that the vital connectivity is maintained at all times, we are also enforcing social distancing and other safety protocols to control the spread of the second wave of the pandemic. All our employees are able to seamlessly work from home and deliver service to all our customers. Our offices across India have been operating with minimal or no staff. To effectively respond to and manage our operations through this crisis, the Company triggered and has followed its business continuity plan. This response has reinforced customer confidence in Indus Towers, and they have expressed their appreciation for keeping their businesses running under most challenging conditions.

There have been several important legal and regulatory developments over the last year, the most important being the judgement by the Hon'ble Supreme Court on the Adjusted Gross Revenues (AGR). As per the judgment dated September 1, 2020, it granted the telecom operators 10 years to clear their AGR dues. The Hon'ble Supreme Court directed telecom operators to pay 10 per cent of the total dues demanded by the Department of Telecommunications (DoT) by March 31, 2021. The telecom operators then have to make payment in yearly installments commencing from April 1, 2021, up to March 31, 2031, payable by 31st March of every succeeding financial year i.e., 10 yearly installments. This is certainly a positive development compared to last year for the telecom industry.

The other major development that the sector saw in FY 21 were the spectrum auctions. It saw the three telecom operators - Bharti Airtel Ltd, Vodafone Idea Ltd, and Reliance Jio Infocomm Ltd participate and bid in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, and 2300 MHz bands. The total quantity of spectrum for which the right to use has been acquired in these bands is 855.60 MHz with the value of the spectrum for which there were winning bids at ₹ 77,814.80 crore. During the year, the telecom operators have announced various updates on their 5G initiatives in plans ranging from virtualized RAN to NSA network technology. These spectrum auctions along with the continued migration from 2G/3G to 4G and the imminent introduction of 5G should result in increased radiating locations, which augurs well for our industry.

Before we elaborate on the strong operational performance of Indus Towers in FY 21, we must touch upon the merger of erstwhile Indus Towers with and into the Company (formerly Bharti Infratel and now Indus Towers). Subsequent to filing of the NCLT orders by the respective Companies with the Registrar of Companies on November 19, 2020, the Scheme has become effective on even date and the merger of Indus and Infratel has been completed.

The two large companies have come together with zero disruption to the customers while fulfilling all necessary compliances. Internally as well, there has been a smooth transition with alignment of organization structure and well-defined roles and responsibilities on day zero so that we hit the ground running. This is a result of strong collaboration across a large number of employees and is even more commendable in the current pandemic, where a significant percentage of the Company is operating virtually. We have also concluded our values exercise for the merged entity while the vision and mission exercise are under conclusion.

As stated, FY 21 has seen a strong operational performance by Indus Towers. We have increased our gross tower additions by 51%, 11,092 in FY 21 compared to 7,326 in FY 20 – which has been the highest in the last ten years. The net co-locations additions have increased by 114%, from 5,287 in FY 20 to 11,327 in FY 21. We have maintained a healthy closing co-location factor of 1.8. With this, as of March 31, 2021, Indus Towers owned and operated 179,225 towers with 322,438 co-locations in 22 telecommunication circles. For the year, the Company reported *consolidated revenues of ₹ 256,729 Mn (up 0.4% YoY), *EBITDA of ₹ 132,575 Mn (up 4.2% YoY) and *Profit after Tax of ₹ 49,751 Mn (down 1% YoY). The Company has declared total dividend of ₹ 20.12 per share.

On the network front, we continue with our focus on maintaining strong uptime across all our circles for our customers. This unwavering focus has resulted in continuous improvement in network uptime in the last three years. The diesel reduction journey continues with a 20% decrease over the last two years in terms of diesel consumed per KW.

Meanwhile Indus continues with its smart city initiatives which have opened a new avenue of growth for infrastructure providers. The Company is one of the largest providers of smart cities infrastructure with a unique business model on Public Private Partnership, with 3 successful projects (NDMC, VMC, Bhopal) and one under project phase (Dehradun Smart City)

"FY 21 has seen a strong operational performance by Indus Towers. We have increased our gross tower additions by 51%, 11,092 in FY 21 compared to 7,326 in FY 20 – which has been the highest in the last ten years."

currently. The Company is providing services like fiber, SmallCells and other areas of business besides the traditional towers in the service area of these Smart cities.

As a responsible corporate, CSR is a way of life and is well integrated with our overall business strategy. During the year, Company and erstwhile Indus have jointly contributed ₹ 1500.27 Mn towards various CSR projects and programmes for the nation's sustainable development. Indus is fully committed to the government's vision of responsibility towards the society.

As a merged entity, Indus Towers has been appreciated and recognized for its achievements over the year. Indus won the Gallup Exceptional Workplace Award 2021 for the 8th consecutive year since 2014. In the ET Telecom Awards 2020, Indus Towers received the 'Best Tower Infrastructure Provider' award, while Mr. Akhil Gupta, Ex-executive Chairman of the Company received the 'Lifetime Achievement Award. We also won two Bharti ChangeMaker Awards – Gold Award for Girl Child Education (Best Social and Community Initiative) and Silver Award for Lighting a Billion Lives (Environment Conservation & Protection). In the Frost & Sullivan Awards 2020, Indus was recognized as a Winner in Process Innovation Leadership Category (Service Sector) for Zero Intervention Site for Network Operations and received Certificate of Merit in Supply Chain Leadership Category (Service Sector) for DG Repair TAT Improvement. Other awards include the Maharashtra State level CII Kaizen Competition under service sector category, ICICI Lombard & CNBC India Risk Management Award 2021 under Risk Governance category and Express Computer Data Center Award under storage category.

Employees are integral to a Company's smooth and effective functioning, and through the pandemic & natural disasters, Team Indus has overcome challenges to provide a robust network, strengthen the tower and co-location rollout while complying with the merger-related timelines. We therefore continue to invest in the development of our employees in alignment with Indus' unified values of Excellence, Customer Centricity, Integrity, Teamwork, and Environment. In addition, we also express gratitude to all our shareholders, customers, partners, and landlords for their unwavering support and belief through these testing times.

The imminent introduction and expansion of next-gen technologies like 5G, iOT, Smart cities, etc., and the need for an even better network post COVID-19 augurs well for the long-term potential of the telecom sector and thus, the tower industry. We remain fully committed to support our customers and the Hon'ble Government of India for further enabling and empowering India's digital revolution.

Regards,

Bimal Dayal
Managing Director & CEO

*To show the combined strength and for effective comparison, the consolidated numbers of the Company and erstwhile Indus Towers for the period from April 1, 2020 to March 31, 2021 (and corresponding numbers of previous financial year) have been shown assuming merger was effective from April 1, 2019. However, the effective date of merger remains November 19, 2020.

Board of Directors

Mr. N Kumar
Chairman and Independent Director

N Kumar is an Independent Director and Chairman of the Board.

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

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

N Kumar has served as a President at the Confederation of Indian Industry and is also the Chairman of the Indo-Japan Chamber of Commerce & Industry. He is the President of Bala Mandir Kamaraj Trust and Managing Trustee of The Indian Education Trust, which runs two schools.

Ms. Anita Kapur
Non-Executive Independent Director

Anita Kapur is a Non-Executive Independent Director of Indus Towers.

She holds a postgraduate degree in English. She participated in a 22 week Tax Administrators' course conducted by the Inland Revenue Training Institute, Leeds, UK; the Leadership Programme conducted by the Wharton School of University of Pennsylvania of USA; and the Leadership and Change Management Programme conducted by the Indian Institute of Management, Bangalore.

She joined the Indian Revenue Service (IRS) in 1978 and held the position of Chairperson, Central Board of Direct Taxes (CBDT) during 2014-2015. As Chairperson and earlier as Member CBDT (2012-14), and post retirement as Adviser in the Ministry of Finance (2015-16), she had a 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 Research (FT&TR) Division and the Tax Policy & Legislation (TPL) Division of the Ministry of Finance; the capital market regulator of India i.e. SEBI; and the Banking Division (currently known as Department of Financial Services) of the Ministry of Finance.

She was a Director on the Boards of Delhi Stock Exchange, Jaipur Stock Exchange, Kanpur Stock Exchange and Ludhiana Stock Exchange as nominee of SEBI. She was Government of India nominee on the Boards of Directors of Andhra Bank, Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, Punjab and Sind Bank and Institute of Chartered Accountants of India. In her personal capacity as a Tax Expert, she was made a Member of the UN Committee of Experts on International Cooperation in Tax Matters (2009-13), and then was elected as Vice Chairperson of this Committee twice, covering the entire team 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) in 2016-2017.

Mr. Balesh Chandra Sharma

Non-Executive
Non-Independent Director

Balesh Sharma is a Non-Executive and Non-Independent Director of Indus Towers.

He is an alumnus of the Harvard Business School and Mayo College and holds a Degree in Mechanical Engineering from Engineering College, Kota and an MBA from Podar Institute of Management in Jaipur, India.

Balesh has worked for Hutchison, BPL Mobile, Xius, DCM, Ricoh and Xerox. Balesh was appointed as the Managing Director and executive director of Vodacom South Africa from September 1, 2020. Balesh was previously the Director of Special Projects for the Vodafone Group, where he has recently supported the roll out of a new telecom operation in Oman and has been tasked with driving the COVID-19 response for African markets. Previously, he was CEO of Vodafone Idea and the Chief Operating Officer of Vodafone India. He successfully oversaw the integration of Vodafone Idea and drove the strategy and execution of the combined business, delivering substantial synergies in the very first year post merger.

Balesh has been with Vodafone group for over 17 years and in the past he has held various senior management positions including CEO, Vodafone Czech Republic and CEO Vodafone Malta.

Mr. Bimal Dayal

Managing Director & CEO

Bimal Dayal is currently the Managing Director & CEO of Indus Towers Limited.

Bimal has an Engineering Degree in Electronics and Communication. He is an alumnus of Harvard Business School, where he pursued an Advance Management Program in 2014.

Bimal has worked with prestigious organizations such as Tata Telecom Ltd. where he gained rich experience at a time when India opened itself up to foreign investments. He also gathered industry experience from his stints at Ericsson India, Ericsson in Sweden and as MD and Country head of Sri Lanka, where he gained insights into cellular technology and operations, both in India and abroad. He served as the key interface during the first managed services deal in India, and went on to serve as the Country Manager and VP – Business Development at Qualcomm India and South Asia. Although it was a short stint, Bimal developed a keen insight into cutting-edge technologies and the fascinating world of handsets and devices.

Bimal has been associated with erstwhile Indus Towers for more than 10 years, in two different roles and has over three decades of overall leadership experience. He took over as CEO of Indus Towers in 2016 and since then has led the Company towards becoming a Deming Prize winning company, an ET Best Place to Work in Telecom, a Gallup Best place to work awardee for eight consecutive years.

Board Committees

Chairperson	C
Member	M

1 Audit & Risk Management Committee

2 HR, Nomination and Remuneration Committee

3 Stakeholders' Relationship Committee

4 Corporate Social Responsibility Committee

Board of Directors (contd..)

Mr. Gopal Vittal

Non-Executive Non-Independent Director

Gopal Vittal is the Non-Executive Non-Independent Director of Indus Towers.

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

He currently serves as the Managing Director & Chief Executive Officer (India & South Asia) of Bharti Airtel Limited. In his role as CEO, he is responsible for defining and delivering the business strategy and providing overall leadership for Airtel's India & South Asia operations.

Gopal had also been with Hindustan Unilever for over 20 years. He led several national and global assignments across sales, marketing and general management. In his last four years, he was the Head of the US$ 3.5 Billion Home and Personal Care Business, driving accelerated growth of 5% to 15%.

Under the leadership of Gopal, Airtel had achieved a life-time high revenue market share. Airtel was recognized as the second most valuable brand in the country. In 2018, Airtel was also ranked 10th 'Best Company to Work for' and the 'Best Employer in Telecom' in India. In the last six years, he has strengthened the operation while driving transformation of the telco to be a strong digital services player.

Mr. Harjeet Singh Kohli

Non-Executive Non-Independent Director

Harjeet Singh Kohli is a Non-Executive Non-Independent Director of Indus Towers.

He has over 23 years of work experience, starting as a corporate and investment banker and a finance professional. As the Group Director, Harjeet is a part of Bharti Management Board and drives strategic aspects of businesses, both across telecom & non-telecom, by focusing on inorganic build-outs, M&A, capital allocation, partnerships, strategic capital sources, financing, capital structure, equity, investor management (private & public), risk management and also plays the role of Business Sponsor, driving core delivery & value creation for consumer & real estate businesses of the group.

Harjeet also serves as a Director on the boards of Bharti Enterprises Limited, Bharti AXA Life Insurance Company Limited, Bharti AXA General Insurance Company Limited, Bharti Realty Limited, FieldFresh Delmonte India, amongst others.

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

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

Mr. Rajan Bharti Mittal

Non-Executive Non-Independent Director

Rajan Bharti Mittal is a Non-Executive Non-Independent Director of Indus Towers.

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

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

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

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

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

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

Mr. Randeep Singh Sekhon

Non-Executive Non-Independent Director

Randeep Singh Sekhon is a Non-Executive Non-Independent Director of Indus Towers.

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

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

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

Board Committees

Chairperson	C
Member	M

1 Audit & Risk Management Committee

2 HR, Nomination and Remuneration Committee

3 Stakeholders' Relationship Committee

4 Corporate Social Responsibility Committee

Board of Directors (contd..)

Mr. Ravinder Takkar

Non-Executive
Non-Independent Director

Ravinder Takkar is a Non-Executive Non-Independent Director of Indus Towers.

He holds a Bachelor's degree in computer science from Loyola Marymount University, Los Angeles.

Ravinder is the Managing Director and Chief Executive Officer (MD & CEO) of Vodafone Idea Limited, India's leading telecom service provider, effective August 19, 2019.

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

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

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

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

Mr. Sharad Bhansali

Non-Executive Independent Director

Sharad Bhansali is a Non-Executive Independent Director of Indus Towers.

Sharad Bhansali is presently, Managing Partner of APJ-SLG Law Offices (ASL), a leading full services international corporate and commercial law firm with its head office in Delhi and specialize in the fields of WTO and trade law , anti-dumping and anti-subsidy investigation, infrastructure, real estate, banking, finance and foreign direct investment practice matters. He has represented the Government of India before WTO Dispute Settlement Body as well as the USITC and the European Commission in the various trade disputes.

He has also represented several exporters before various International authorities and commissions in EU, Turkey, USA, Mexico, Brazil, Argentina, China, Indonesia, Malaysia, Australia, etc. He has also advised some foreign governments as a UN expert on trade remedies and international trade.

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

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

Ms. Sonu Bhasin

Non-Executive Independent Director

Sonu Bhasin is a Non-Executive Independent Director of Indus Towers.

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

Sonu Bhasin is one of the senior most professionals in the industry. In her carrier of over 30 years, she managed large businesses, and diverse teams, across financial and non-financial sectors in India and overseas.

Sonu led various businesses in senior leadership position during her corporate career. She began as a TAS (Tata Administrative Service) 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.

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

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

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 book categories. Her second book, Unstoppable-Kuldip Singh Dhingra and the Rise of Berger Paints, published by Penguin Random House is the biography of the owners and promoters of Berger Paints. Sonu is also a columnist with the Economic Times, the leading financial daily of India.

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

Mr. Thomas Reisten

Non-Executive Non-Independent Director

Thomas Reisten is a Non-Executive Non-Independent Director of Indus Towers.

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

Thomas Reisten, a member of the Finance Leadership Team of 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 transformations, leading to the merger of Vodafone India and Idea Cellular.

Board Committees

Chairperson	C
Member	M

1 Audit & Risk Management Committee

2 HR, Nomination and Remuneration Committee

3 Stakeholders' Relationship Committee

4 Corporate Social Responsibility Committee

Financial Capital

Our financial capital plays an integral role to drive growth and deliver sustainable returns. We, therefore, strive to ensure appropriate capital allocation to generate value for stakeholders.

Increase

in EBIDTA due to increase in sharing revenue driven by higher rollout and better cost management

Robust

Liquidity position

4%

YoY increase in PBT

Healthy

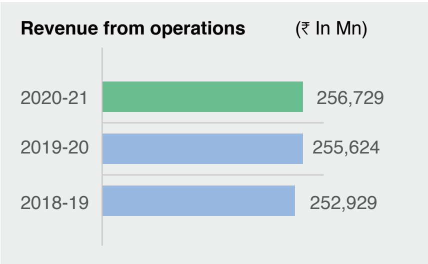
Balance sheet

Financial Capital

Key Performance Indicators

Revenue

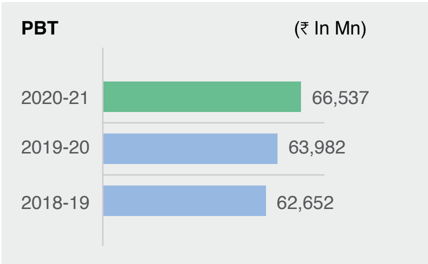
Revenue from operations increased during the year due to higher roll outs by customers experiencing rapid data growth.

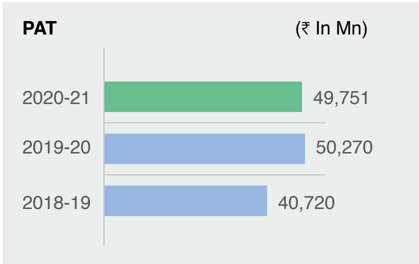


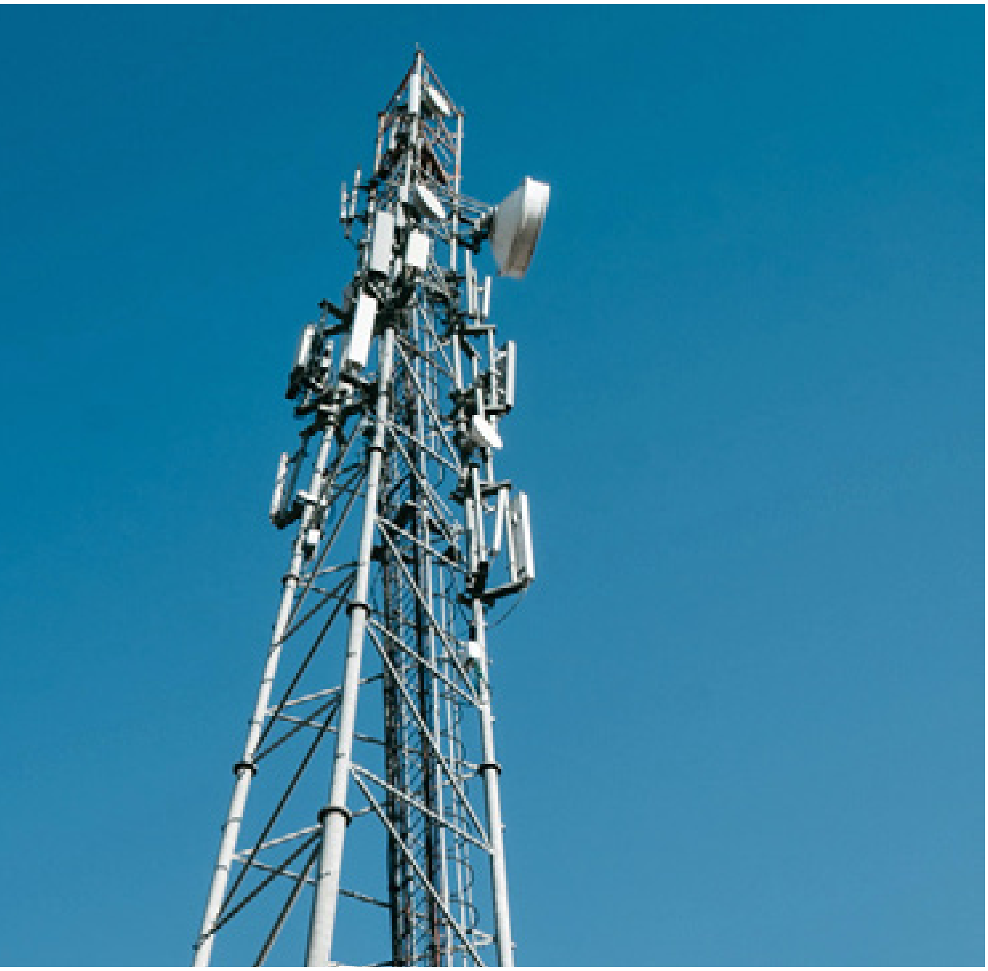
Earnings

PBT increased by 4% in FY 2021, due to growth in EBITDA

PAT decreased marginally in FY 2020-21 due to one time benefit as a result of change in corporate tax rate in FY 2019-20

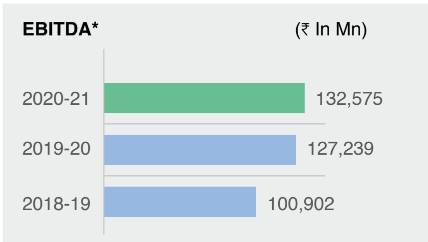






EBITDA

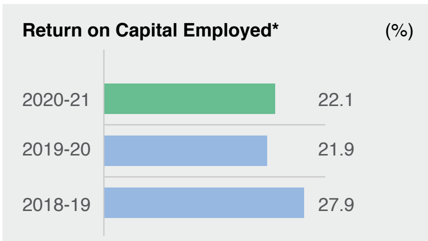
EBITDA increased by 4.19% in FY 2020-21 primarily due to increase in sharing revenue driven by higher rollout and better cost management.



*EBIDTA is excluding other income.

Return on Capital Employed*

ROCE increased marginally due to better capital management.



*Pre Tax

Strategic Focus Areas

Cash flow from operating activities

Cash generated from operating activities for the year ended March 31, 2021 was **₹ 107,563 Mn** as against **₹ 84,951 Mn** for the year ended March 31, 2020.

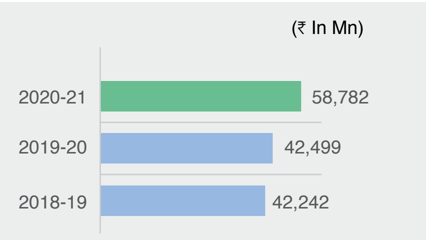
Cash flow from Investing activities

Cash used for investing activities for the year ended March 31, 2021 was **₹ 12,680 Mn** as against **₹ 31,082 Mn** for the year ended March 31, 2020. The decrease of **₹ 18,402 Mn** was majorly due to higher redemption of investments in the current financial year.

Cash flow from financing activities

Cash used for financing activities for the year ended March 31, 2021 was **₹ 93,617 Mn** as against **₹ 58,165 Mn** for the year ended March 31, 2020. The increase of **₹ 35,452 Mn** was majorly due to higher dividend payout in the current financial year.

Net Debt*



*Net debt is excluding lease liabilities

Impact of Financial Capital on Other Capitals

Natural Capital

We continue to invest towards building eco-friendly tower infrastructure as well as towards initiatives that enables us to decrease our environmental footprints.

Intellectual Capital

As a critical player in telecom ecosystem, we invest in strengthening our capabilities and adopting state-of-the-art digital platforms and technologies that enables us to ensure uninterrupted service and high uptime.

Social and Relationship Capital

Ensuring the growth and well being of the communities in which we operate has always been a focal point for us, at Indus Towers. Thus, our societal spends are aimed at bringing a holistic development in the communities in and around our operations.

Manufactured Capital

We provide cost-effective passive telecom infrastructure to telecom customers with a pan-India presence. Continuous investments in new tower roll-outs as well as maintenance of existing ones, empowers a digitally-connected India.

Human Capital

We continue to generate value for our employees, who are committed to aligning their efforts towards achievement of our long-term and short-term goals.

Total employee benefit expenses for the year is

₹ 7,681 Mn

and the amount spent on training and development stands at

₹ 21 Mn

Key enablers for driving value creation

Opex Productivity

17.3%

Capex Productivity

29.3%

Manufactured Capital

We rely on our sophisticated network infrastructure to deliver seamless connectivity, even in challenging circumstances. With rapid innovation and operational efficiency, we continue to deliver cost-effective and sustainable solutions.

Wide portfolio
of Towers for varied Operator needs

Continuous innovation
to offer Cost-effective and Sustainable solutions

Robust
Operational and Business Continuity Processes to ensure High Network Availability

Constant tower addition
to cater to the growing communication needs of India

Manufactured Capital

We continue to adopt advanced technologies and expand our infrastructure portfolio to remain relevant and improve efficiencies in difficult circumstances.

Backed by the strength of our assets, we have delivered comprehensive digital solutions in the midst of a pandemic and successfully mobilised resources during natural disasters. Currently, our portfolio is centred around three core elements including:

Towers

For mounting operator antennae at an appropriate height

We deploy the passive physical infrastructure necessary to house the active equipment (Base Transceiver Station [BTS], transmission link, microwave antenna) of our Customers. Towers range from traditional lattice-type structure (groundbased tower, rooftop tower or pole) to aesthetically designed lightweight hybrid poles, monopoles or camouflaged towers that merge with the backdrop.

Power

For providing uninterrupted energy supply to telecom equipment

We provide innovative energy solutions for powering our customers' active equipment in a cost-effective way. Wherever possible, we power our towers using grid energy from state electricity boards. Diesel is utilised where reliable grid energy is not available. Our innovative solutions ensure optimum use of fuel, thus minimising our environmental footprint. We also operate renewable energy driven towers using solar and wind energy.

Space

For housing telecom and power equipment

We acquire requisite space from residential/commercial property owners (Landlords) at strategic locations for placing our passive infrastructure. We engage with Landlords throughout the lifecycle to host telecom infrastructure on their premises.

Building Robust Connectivity

179,225 Towers

48,434 Roof-top towers

130,791 Ground base towers

1.8x Closing sharing factor

322,438 Co-locations

Expanding our reach

As wireless connectivity becomes necessary for phones, tablets, laptops and other modern devices, the demand for sophisticated communication infrastructure continues to rise. Over the years, wireless communications technology has witnessed phenomenal surge. To cater to growing demand, especially in the wake of the COVID-19 pandemic, it has become pertinent to deploy futuristic wireless communication technology. To fulfil additional data and telecom connectivity requirements and ensure uninterrupted service, we continue to deploy more towers and sites across the length and breadth of the country.

Before acquiring a new site, we validate an exhaustive list of parameters. We stringently check its rent bandwidth, as per city/town & type of tower, technical clearance, power availability, property documents and Landlord credentials before selecting sites. We also have a checklist with 12 critical pointers used for site selection.

During the year, we deployed additional telecom infrastructure for various prestigious events such as Kumbh Mela, Indian Premier League (IPL) and other international events. It helped facilitate live telecast of such events, enabling seamless connectivity. Moreover, we also collaborate with various government institutions to deploy sites on their land and/or buildings and in areas of high footfall, including metro stations, railway stations and airports.

10,000+
Net Towers added

Highest in 10 years

11,300+

Increase in net co-location

Steps for site acquisition and key challenges

Construction

For Ground base towers, soil strata is a critical factor along with availability of space. In case of Rooftop towers, construction is dependent on the type of building. The existing structure - whether it is a framed structure or load bearing, AGL availability, approval by civil designers is crucial for the construction of towers.

Field or location survey

The cost of tower depends on various factors such as type of location or tower, land status and soil strata.

Zoning / Permits

Zoning / Permits help to approach Municipal Corporations for NOCs and it varies according to the existing state policy framework.

Environment

Every site acquisition is assessed after taking into account several key environmental factors as well. Evidence collected based on the assessment, enables decision-making that ensures avoidable damage due to environmental conditions.

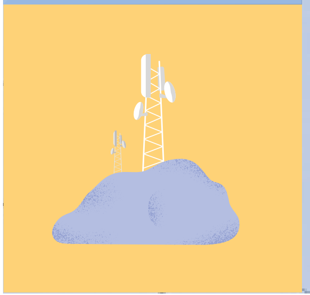
Manufactured Capital (contd..)

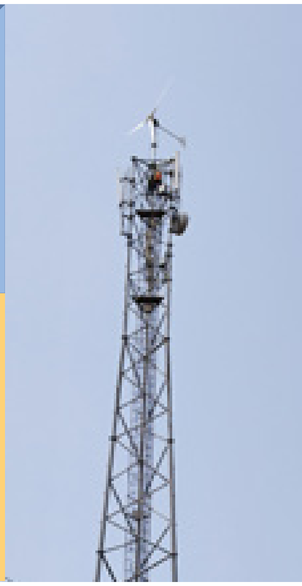
Enabling Seamless Connectivity

We have developed a centralised system for monitoring all sites across 22 circles in India. In order to ensure seamless operations and provide strong network connectivity, we have made significant investments for the maintenance of our sites. Across our operations, we have set up uniform protocols and digitized the Operations & Maintenance (O&M) process by using Decision Support System (DSS) and Mobile Application. Further, we have developed work management procedures for our field team to improve our uptime and reduce the downtime.

1,671

Employees in O&M, starting from FSE to Corporate O&M Team (as on March 31, 2021)





99.96%

Uptime in FY 2020-21

vs

99.95%

in FY 2019-20

18 Mins (Avg)

Downtime in FY 2020-21 vs 25 mins (Avg) in FY 2019-20

Towards a Greener Future

At Indus, we strive to encourage sustainable development initiatives across our operations. During the year under review, we continued to undertake initiatives to save energy. We converted Indoor sites to Outdoor sites, enabled electrification of old non-electrified sites and facilitated golden cell deployment. We are constantly trying to build green sites, which typically consume <100 litres diesel per quarter. These initiatives have not only reduced our carbon footprint but have also helped reduced energy costs over the past 8-10 years.

74,353

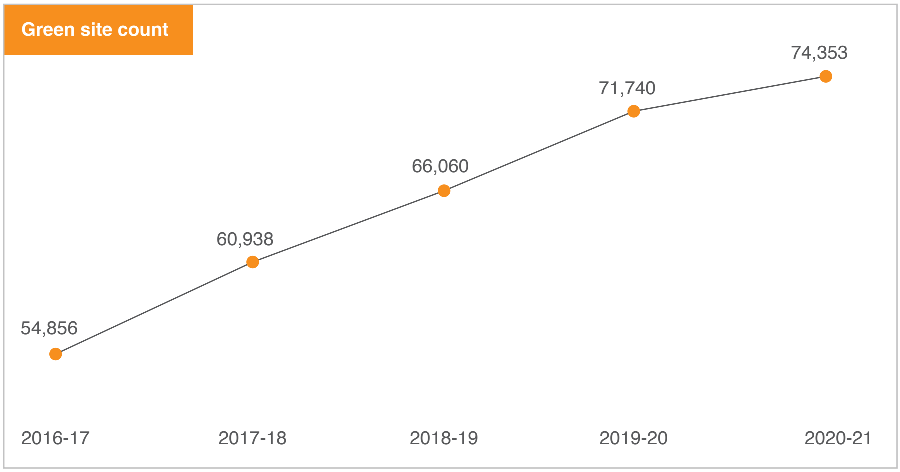
Green sites as on March 31, 2021

40%+

Of the total sites are green sites

85%

Outdoor sites



Overcoming hurdles

The year under review was marked by several challenges. From the COVID-19 outbreak, Mumbai power grid failure to natural disasters like cyclones and landslides in different parts of the country, we dealt with immense challenges to enable seamless connectivity.

The two cyclones - Amphan and Fani, had torn apart West Bengal and Odisha's telecom infrastructure. Collecting information on the damage, monitoring relief and restoration works proved to be particularly difficult. However, our team worked round the clock, before and after the cyclones, to keep our network partners connected.

Before the cyclones, the following precautionary measures were taken:

- Adequate fuel availability in Diesel Generator (DGs) with additional fuel stock at Base Station Controller (BSC) and strategic sites
- Mobile DG and Switch Mode Power Supply (SMPS) availability
- Additional vehicle availability at strategic locations and impacted clusters
- Original Equipment Manufacturer (OEM) partner readiness to cater to equipment breakdown
- Keeping regular updates on weather conditions
- Team sensitization on Safety and Monsoon Standard Operating Procedures (SOP)
- War room at circle office for round the clock monitoring
- Special monitoring from Tower Operation Centre (TOC) during the impacted period

After the cyclone, our team initiated an impact assessment and framed revival measures. The cyclones caused permanent damage to telecom towers and communication channels. Electricity outages and road blockages caused by uprooted trees and electric poles hindered relief and restoration effort.

Our teams mobilized resources for diesel filling and restoration of telecom connectivity. Skilled people from unaffected areas were also rushed to impacted clusters to restore connectivity within shortest possible time. We secured additional help from nearby circle offices and a partners to resume services. Resting on our strong crisis management policy, our sites became functional, in record time.

Major disasters & impact: FY 2020-21 - Our agility & resilience

Disaster / Challenge	Sites in affected area	Sites impacted due to disaster/ challenge	Site / network restoration
Mumbai Power Grid Failure	1,000+	~300	90% of sites restored within 30 mins, 6% sites within 90 mins and remaining 4% within 4 hours.
Cyclone Amphan in West Bengal	6,000+	~3,200	All critical sites restored within 6 hours of Landfall. All sites fully restored within a week using additional Quick Response Teams (QRT) & Mobile Diesel Generators as well as close working with Discoms for faster EB restoration.
Cyclone Nivar in Tamil Nadu	2,800+	~900	Network restored within a day by quick deployment of QRT vehicles and mobile diesel generators.
Cyclone Nisarga in Maharashtra	3,200+	~900	Network restored within a day by shifting links and all sites restored within 3 days by deployment of QRT vehicles and mobile diesel generators.

Intellectual Capital

Our focus on innovation reinforces our commitment towards improving operational efficiencies and enrich customer experiences.

Indus Idea Incubator

– driving Innovation across all levels

State-of-the-art

TOC Facility providing actionable insights

Technology Powered

Mobile Field Applications driving Automation & Digitization

Strong and transparent

Governance framework

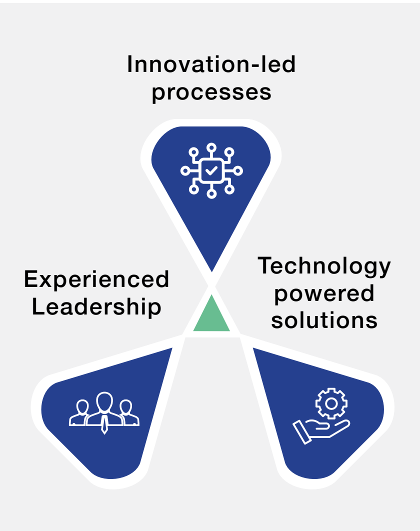
In the past year, we have faced insurmountable pressures. While the COVID-19 pandemic restricted our movement, natural disasters posed severe hardships.

Yet, our focus remained on ensuring network connectivity. At a time when the telecom sector continues to combat mounting losses and rising spectrum costs, we rely on our unique capabilities to devise effective solutions to address these challenges and unlock opportunities of growth and development. As a digital communications infrastructure provider, we play a leading role in introducing innovative strategies and advanced technology. It adequately equips our teams to deliver new-age solutions and improve their deliverables.

Over the years, we have not only helped increase telecom penetration in India, but have established ourselves as a reliable and trusted partner for enabling telecom connectivity in the remotest corners of the country, including the most challenging and inhospitable regions.

Intellectual capital framework

At Indus Towers, we believe, our experienced Board and leadership team, innovation-led processes and technologically empowered solutions strengthen our ability to improve the telecom infrastructure of the nation and sustain profitable margins.



Experienced Leadership

To remain relevant in an ever-evolving telecom industry and secure business sustainability, our experienced leadership plays a crucial role. With effective stakeholder engagement and governance policies, the Board seeks to make decisions that make a lasting impact on the organisation. Our leadership team remains steadfast in conducting business with integrity and ethics, outlining responsibilities that lay the foundation for an unrivalled market leadership.

30+ years

Of Average experience of the Board

20+ years

Of average experience of the Leadership team

Innovation-led processes

At Indus, we continue to be shaped by the external dynamics of the sector in which we operate. Investments to scale up technology and improve processes enable us to harness innovative solutions across the value chain. As we adopt advanced methods and adapt to an evolving ecosystem, we aim to build a cohesive and future-ready telecom infrastructure.

Future-ready solutions

Our strategic priority revolves around the creation and implementation of innovative and cost-effective solutions. The fiscal year 2020-21 was no different. We continued to augment our product portfolio with newer, eco-friendly and economic solutions.

During the year under review, we introduced solutions for civil infrastructure, in the form of 12 m LRTT towers and low-capacity Eco-lite towers. Further, we bolstered our electrical Infrastructure with the introduction of precision air-conditioners for sensitive cooling requirements and 4G Modems to support communication channels. In line with our endeavour to reduce environmental footprints, fuel cells, solar tree and PNG sets were introduced.

NextGen Tower Operating Centre (TOC)

The Indus Tower Operations Centre (TOC) is a state-of-the-art facility, designed to add efficiency and convenience to company-wide operations. With our service footprint in 22 telecom circles of India, our new TOC is the largest in the NOC industry and manages 200+ OSS under one roof. It provides services for all business functions, including O&M, Energy, Estate, Revenue Assurance, Technology, and Human Resource. Powered by Artificial Intelligence and Machine Learning, it is one of the most sophisticated centres of Indus Towers.

Always active and Disaster Recovery ready, the TOC provides round-the-clock surveillance services for all sites across India, through its centrally managed operations. It provides actionable insights to field personnel via automated calling systems and SMS. Real-time alerts about network faults enable better tracking and maintenance, ensuring superior network connectivity at all times. Our Cloud-based call centre enables prompt servicing across the 22 circles and offers real-time call monitoring services. Moreover, each call from the TOC is accompanied by a full history of the site, to improve operational efficiency and effectiveness.

What's new with the TOC:

- **Energy Helpdesk:** It increases effectiveness of tower monitoring. With regular reporting of connection issues, energy controllers can easily manage diesel requirements for various sites. It also enables the Energy Team across all circles to analyse energy requirements in real-time and reduce the carbon footprint.
- **Mobile DG Helpdesk:** Each mobile DG is connected to the TOC helpdesk and details about its fuel disbursement and payment requirements are easily noted. With real-time updates, sites can maintain a seamless supply of energy.
- **Landlord Helpdesk:** : Seamless communication with our community of landowners with singular tracking of all incoming complaints, followed by efficient resolution of issues by the TOC.
- **Lead conversion:** Continuous tracking and analysis of leads allow us to earmark sites for acquisition.
- Real-time analytics for Field, Circle and Corporate teams enable quick action.
- Centralised solutions for streamlining the management of Smart City and Fibre operations.
- **Finance Helpdesk:** Provides input to the Finance team with consolidated reports on Billing and Revenue generation. This enables the team to raise accurate bills and implement on-time corrective measures to generate revenue.
- **ESH Helpdesk:** Single point contact for 22 Circles, for recording all incidents and taking corrective actions with defined SLAs for closing the incidents. The helpdesk enables us to keep all our Employees, Partners, Technicians under a comprehensive safety net, 24*7.

Indus Idea Incubator

At Indus Towers, we have built tools for fostering new ideas from employees. We have developed an online platform - 'Indus Idea Incubator', where employees submit their ideas. Every employee, from the lowest ranked person to functional heads, are encouraged to participate in this initiative. Ideas are evaluated on the basis of certain set parameters of originality, alignment to company values and circle/function objectives, feasibility and impact on others. A detailed feedback motivates employees to think out of the box and contribute new ideas that foster the development of the organisation.

1,494
Ideas submitted

1,034
Ideas approved

Intellectual Capital (contd..)

Technology powered solutions

The Government of India ardently promotes its vision of a 'Digital India'. We, at Indus Towers, are also taking steps in the same direction, to digitise our network operations.

We rely on state-of-the-art technology to improve our operational capacity, decrease disruptions and ensure business continuity. The following tools were introduced to improve safety and enhance cost efficiency.

- **Map Info:** It is used by the planning team to measure inter-site distance on a 360-degree basis. It is also used to map competitor sites and enables the SMC team to increase tenancy on existing sites.
- **IBWAVE:** Used for designing and planning of indoor networks while supporting multiple technologies like 2G/3G/4G/Wi Fi. Coverage predictions are done on the basis of frequency band/technology to check network adherence to existing industry standards.
- **Tower loading validation activities (TLVA):** We use TLVA to accommodate additional antennas and improve sharing feasibilities. All sites are evaluated on the basis of their present loading, design capacity and future loading capacity. In the process, the present and future capacity of every tower is thoroughly analysed and validated. If any tower is found to underperform, its original loading capacity is strengthened and steps are taken to enhance the capacity and safety of the tower.
- **STAAD.Pro:** STAAD.Pro is one of the most widely used structural analysis and design software tool with in-built internal and Indian codes. It helps us to use different forms of analysis, ranging from the traditional static analysis to the more contemporary p-delta analysis, geometric non-linear analysis, Pushover analysis (Static-Non Linear Analysis) and buckling analysis. The software enables us to structurally optimise solutions for our sites.

Mobile Application

Indus Towers has chosen iMapp as its field force digitisation platform, to efficiently integrate the operations of pre-merger Bharti Infratel and erstwhile Indus Towers after the merger. Conceptualised and introduced in the year 2013-14, iMapp (Indus Mobile application) was the first-of-its-kind technology in the tower Industry to aid the on-field Operations and Maintenance team with geospatial tracking and site-specific information.

While iMapp has evolved significantly over the years, FY 2020-21 was a watershed year for the application. With a major overhaul of the user interface (iMapp 2.0) and extension of the platform to ~19K users, it covered operations ranging from Operations to Site Acquisition and Deployment. The successful adoption of the new module is a testimony to the effective and user-friendly architecture of the application.

Features like Image analytics, Document Scanning and Upload, Routine Work Management with CCA (Correction & Corrective Action) have helped iMapp to emerge as a ubiquitous platform. With the help of a module builder, we can now quickly fulfil new requirements in a self-service mode. The benefits of the application are evident in various business metrics. It increases operation uptime, reduces the time taken to acquire new sites, supports real-time tracking of deployment milestones and helps to take corrective actions, wherever necessary. The application has improved the traceability and accountability of the field team during the pandemic and has significantly improved the accuracy of reporting and controls.

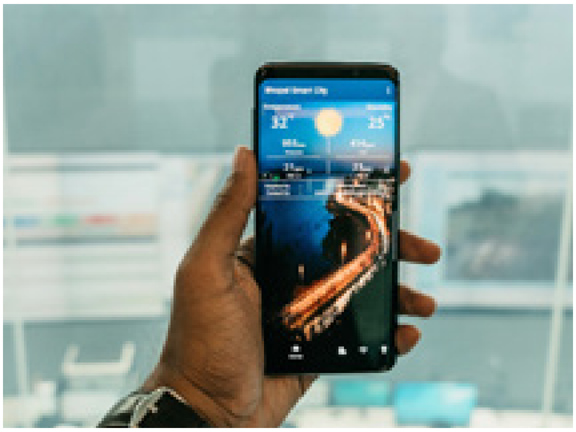
Some of the key processes and activities digitised in the last year include:

- Improved and Updated Preventive & Corrective Maintenance Ticket Flows
- Live Alarms tracking
- Asset Verification and Tracking
- Energy and DCEM reading and Diesel Planning
- Tracking of deployed projects
- New Build SR management and Active Site management for Site Acquisition
- Routine Work Management & CCA (Correction & Corrective Action) tracking for field users
- Work Permit & Safety Incident reporting

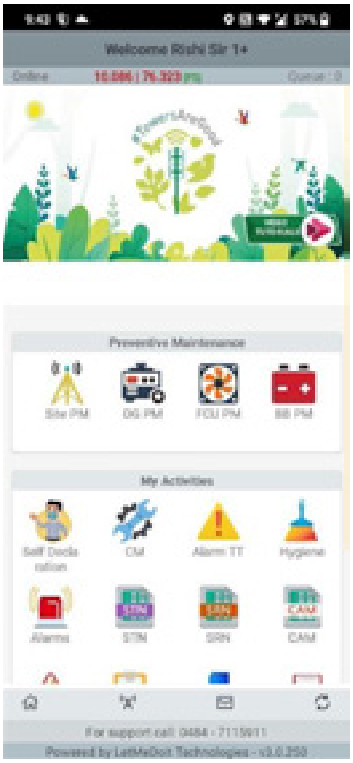
Key Highlights of iMapp

~ 19K
Total Registered users

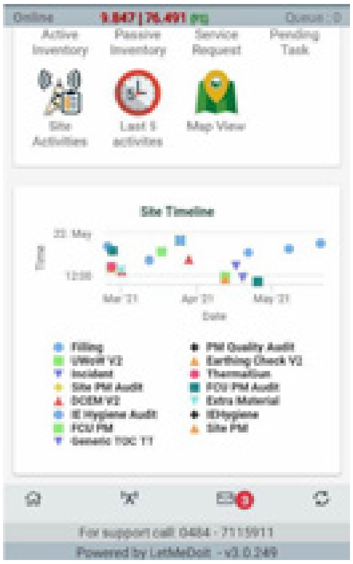
~ 4 -4.5
Daily average transactions (in lacs)



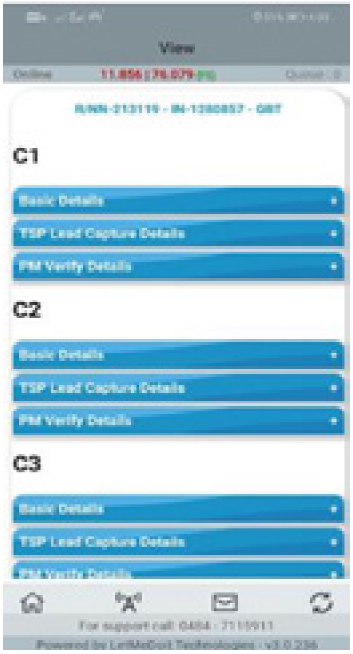
Main Screen:



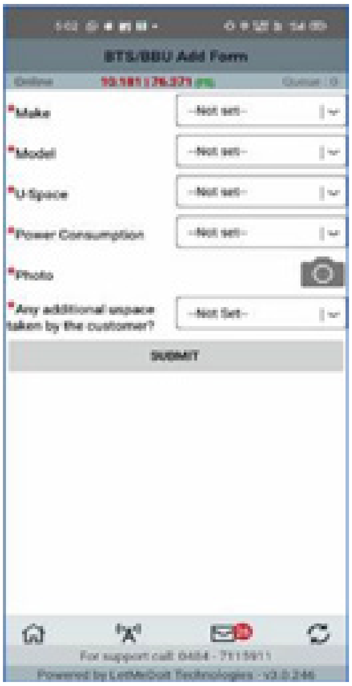
Site Timeline:



Deployment Tracking:



Asset Tracking:



Intellectual Capital (contd..)

Being 5G Ready

As we stand at the cusp of 5G deployment in the country, we are consistently upgrading our systems and facilities in different sites across the country to ensure seamless adaptation to latest technologies. For the sites that are critically loaded, solutions such as shared/multiport antenna are being assessed; additional poles are being installed, depending on the condition of the site and the operator's requirement. Above measures will help in seamless installation of Massive MIMO Antennae (Active Antenna Units) and other critical components of 5G Networks at existing sites.

Further, we are designing microwave mounts to suffice the requirement of co-planarity of E&V band radios. We are also focusing on two segments, In-Building Solutions and Small Cells that will eventually become critical for the 5G transition. Additionally, we are aiming to introduce a complete range of solutions, including small cell, at cost-effective rates for operators.

Going forward, we are planning to convert our Shareable Small Cell (Indoor/ Outdoor) to support 5G technology. This will enable operators to rapidly grow their network without incurring upfront Capex. Additionally, we are making sites ready for Tower Edge Solutions, on the basis of architectural network changes that will be required for 5G technology.

Building Smart Cities

Since the announcement of the smart city project in June 2015, we are a leading player in this space, developing scalable models for various projects. Our ability to provide core digital infrastructure for smart cities makes us an integral part of the ecosystem to drive development and inclusive growth of the nation.

Indus Towers has successfully implemented various smart city projects including the **Vadodara Smart City project and Smart Street Light Poles project of New Delhi Municipal Committee (NDMC)**. These projects involve deployment of state-of-the-art telecom infrastructure across the city. It includes implementation and maintenance of Intelligent Poles, Wi-Fi services, Digital Billboards, City-wide OFC networks that are connected to Intelligent Poles and integrated with a central command centre.

We have also successfully implemented **Gurugram Metropolitan Development Authority (GMDA) optical fibre network at Gurugram**. A robust digital infrastructure highway is a pre-requisite for modern urban centres. The project fulfils the dual objective of meeting the digitisation requirements of cities and improving its telecommunication services.

We are also playing an active role in the **Dehradun Smart City project**. It not only aims to improve the standard of life through citizen-centric network infrastructure, but also strives to build shared telecom infrastructure to improve telecommunication services in the city. The project involves construction and management of shared OFC network and shared telecom tower infrastructure to support different types of telecom services. This model can also be replicated by other urban centres to build a robust shareable OFC network.

519

Fiber Length across our 4 smart city projects (Km)

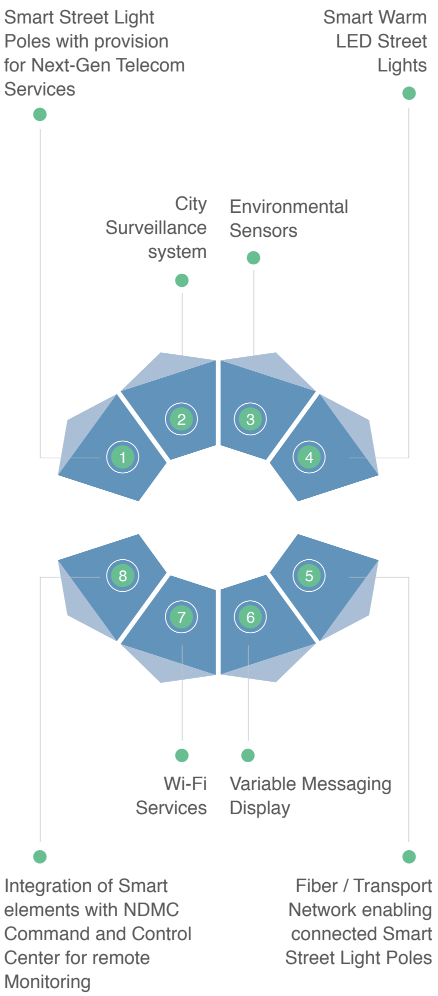
354

Total smart poles installed across our 4 smart city projects

Smart Poles

The street light poles constitute an integral part of smart cities. These act as multi-service delivery points that look like streetlights but, offer advanced and sophisticated features like smart displays, environment sensors and surveillance facilities. It also helps to create Wi-Fi hotspots and hosts telecom infrastructure which can be remotely monitored though a Command and Control Centre. Smart poles are gaining popularity, mainly due to their multipurpose usage which allows telecom operators to provide better network coverage.

Key components of Smart Street Lights Poles



Ensuring data privacy and security

In order to maximise data protection and ensure confidentiality of personal information of employees, customers and partners, we have implemented state-of-the-art technologies including next generation firewall and cloud-based web proxy. We have framed and implemented stringent policies and processes to monitor and mitigate threats. We also conduct awareness sessions about information security, enabling our IT team to complete specialised trainings to improve their skillset. Indus Towers is an ISO 27001:2013 certified company and therefore, abides by a stringent information security management system. We evaluate information security risks at regular intervals and devise solutions tailored to the needs of the organisation. Our efficiency and robust methods enable us to always remain relevant and attuned to the needs of the future.

Process Excellence

Our endeavour to achieve process excellence enables us to drive a culture of quality management across the organisation. It is a systematic approach that helps business processes to ensure customer satisfaction, quality, organisational speed and optimise the cost of doing business. It also empowers us to adopt process improvement methodologies such as BPM, Lean and Six Sigma.

Quality Control Circle (QCC)

QCC is an initiative that empowers employees working in the same area to come together and solve issues in a systematic and collaborative manner. The QCC framework takes into consideration the fact that the causes of Quality / Work related challenges are unknown to technicians or the management. This is a one-of-its kind people process that enables employees to achieve meaningful targets. Each QCC is led by an FSE, along with his team of technicians and utilise simple Quality Tools (7 QC Tools) to analyse and resolve various issues.

2,487

QCC projects closed in FY 2020-21

Natural Capital

We are committed to nurture a greener future, backed by our sustainable operations. With our primary focus on energy efficiency, emission reduction and waste minimisation, we continue our resolve to reduce our carbon footprint.

Promoting
use of renewable energy

Constantly reducing
of greenhouse gas (GHG) emissions across operations

Efficient
utilisation of energy and reducing energy consumption

Responsibly
managing and recycling waste

We are vigilant about our environmental footprint and combat the mounting challenges posed by climate change.

We are constantly aligning our actions with the UN Sustainable Development Goals (SDGs), with a firm belief to fulfil our obligations towards the natural environment.

SDGs

A business model that promotes green future

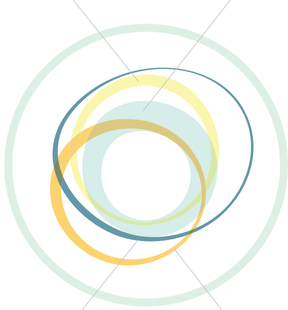
At Indus, we have consciously developed a responsible approach towards the environment. We continue to deploy people, ideas and resources to design effective solutions for a sustainable tomorrow. Today, we are proud to have a total of 74,353 green sites across the country. We leverage our unique business model, driven by the co-location concept, that not only improves accessibility of superior network connectivity, but offers a cost-effective proposition for our customers. The co-locations significantly reduce cost of setting up more telecom tower infrastructure, enabling faster rollout and lowering emissions considerably.

Our enthusiasm to be an innovative digital communications infrastructure provider makes us globally renowned for offering the highest uptime. As a result, we strive to achieve cost and energy efficiencies, speed in deployment of infrastructure, while assuring the highest standards of quality in everything we do. Thus, our strategies and actions are completely aligned to objectively meet our goal of being recognised as a green company.

Our 'green' focus areas

Promoting Renewable Sources of Energy

Ensuring Energy Management



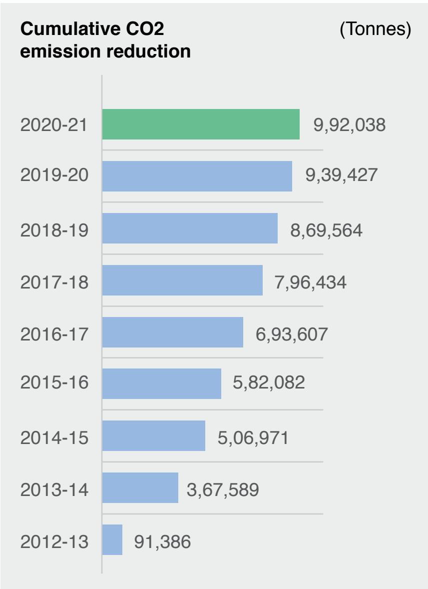
Curtailing Emission

Waste Management

Preserving the environment – by curtailing emission

Climate change is undoubtedly the greatest threat today. We, at Indus Towers, are doing our part by constantly undertaking initiatives to reduce our greenhouse gas (GHG) emissions across operations.

Energy consumption makes up a major portion of our operating expenditure. We are, therefore, constantly focusing on reducing our energy footprint and carbon emissions. Along with our customers, we aim to build an environment-friendly ecosystem that is designed to create unique values for all our stakeholders. Simultaneously, we are strengthening green disclosures and are continuously adopting customised and sustainable solutions to ensure 24x7 network availability for our operators. In line with our commitment to deploy low emission solutions, we have started the use of fuel cells and gas gensets at sites, to overcome noise pollution and emission concerns.



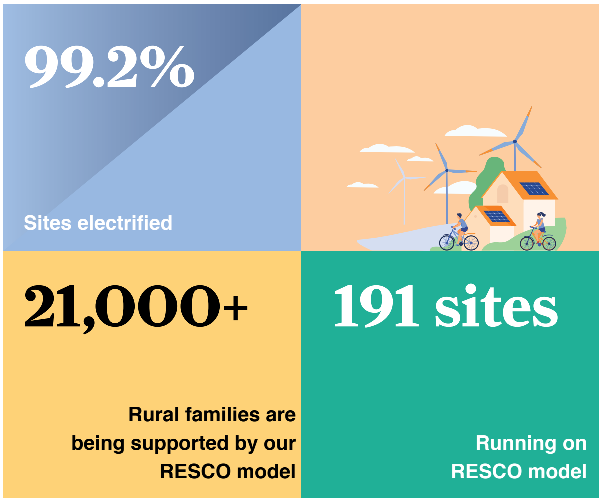
Preserving the environment – by promoting renewable energy

We have prioritized the use of alternate energy sources as we diligently try to reduce our dependence on carbon intensive energy sources. We continue to rely on solar energy to implement eco-friendly solutions. Owing to our concentrated efforts, we have developed the largest solar footprint in the telecom infrastructure industry. The same has been enabled by creation of newer structural solutions like solar solution on tower legs, single leg solution, among others. To further propagate solar solutions, engineering enhancements have been carried out whereby we have enabled our site power system in a manner that solar input can be added on plug and play basis and communication takes place through standard communication channel to our centralized ToC thus enabling improved control and monitoring. In continuation with our efforts on using limited ground footprint and improve aesthetics for smarter solutions, unique solar tree solution has been designed and deployed.

We have also collaborated with Renewable Energy Service Companies to power our towers with renewable energy and undertake community power development initiatives in rural areas. It is one-of-its own kind RESCO model whereby renewable energy is supplied at 191 sites and surplus power is distributed to rural areas. In FY 2020-21, over 21,000 rural families gained access to power through this model. We plan to further emulate this model in other states as well to ensure seamless supply of clean power for our business as well as for communities in which we operate.

To further enhance our stride towards a green future, we have completed trials for methanol-based fuel cells and are now ready to be deployed across operations. Said solution offers distinct advantages of being completely green in terms of emissions as well as noise. Our experience of deploying the same has been enriching and solution oriented.

Further as a regular practice, we evaluate our dependence on conventional as well as non-conventional energy sources, to identify gaps and deploy commercially and technically viable solutions.



Natural Capital (contd..)

Preserving the environment – by ensuring energy efficiency

Given the energy intensive nature of our business, we have developed and implemented power management systems that enable us to enhance efficiency by reducing energy consumption. We have successfully reigned in modularity and can deploy a smaller power management system that can be gradually amended with increasing load. It not only enables us to save on initial capex but, also allows us to ensure capex deployment as per need. Based on specific requirements, different types and sizes of power management systems can be easily implemented at sites.

To increase our energy efficiency targets, we have undertaken the following initiatives:

- Replaced air-conditioners at sites with Solar powered and large sized micro cooling cabinets, natural cooling systems, dual turbine units and HEX based micro cooling units
- Installed latest products such as high efficiency rectifiers, variable ACDG kits and DCDG kits.
- Usage of high-end VLRA batteries and Li-Ion batteries
- Battery solutions have been augmented with the introduction of Telecom Energy Storage Unit (TESU) and Lithium VRLA Combo Solution. It provides technological solutions to run multiple battery banks.
- HTC batteries with improved life and better charging capabilities are being tested to assess their importance for the future.
- Conversion of Indoor sites to Outdoor sites help to reduce overall energy demand
- Encouraging the use of advanced batteries, highly efficient power systems and energy efficient equipment to promote energy conservation.
- Golden Cell Deployment has been initiated to enhance power backup and reduce the run time of Diesel Generators.
- 'ECO Site Initiative' enabled us and our telecom customers to together create DG free sites (from Day One). The sites were powered only with Discom supplied electricity and battery backup. This concept of creating permanent green sites, devoid of DG support, marks a new beginning for building a Green Telecom Sector.
- In our constant endeavour to reduce diesel consumption, we have undertaken various projects like 'Harit Sanchar', whereby mobile batteries are being used to replace DGs at sites. It reduces diesel consumption and subsequently minimises emissions from the site.
- Significant reduction in form factor due to the deployment of Advanced Power Systems in place of Power Interface Units (PIUs).

5%

Improvement in energy efficiency through our advanced power system

Preserving the environment – by optimum waste management

Waste management and recycling is a key consideration of our overall operations. To ensure waste reduction, we try to enhance the life of equipment by refurbishing assets such as power systems, diesel generators and batteries. This not only incurs considerable cost savings but, also fulfils our endeavour to ensure optimum utilisation of assets. Besides, we have undertaken efforts to extend the life of existing battery banks by rejuvenating batteries. As a responsible organization, we sell battery scrap to registered partners who ensure its proper disposal and recycling.

Strategies for tomorrow

We aim to ensure optimal energy utilisation and pave the path for a greener tomorrow. Going forward, we plan to reduce energy costs by introducing and integrating state-of-the-art remote monitoring systems and big data analytics into our system. To further improve our contribution to the natural environment, we intend to maximise the use of alternative energy solutions.

Going forward, we want to assure a steady supply of clean power for business operations as well as the communities in which we operate. Moreover, to ensure load reduction and minimise the use of air conditioners, we strive to undertake collaborative efforts with our active infrastructure partners. It will not only enable us to easily adopt energy efficient devices but, will also augur faster conversion of indoor to outdoor sites.

Human Capital

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

Ensuring

health, safety and well-being of our employees

Building

a strong talent pipeline and an inclusive workplace

Improving efficiency and productivity

by leveraging digital technologies and platforms

Encouraging and appreciating

employees to deliver their best

Human Capital

We encourage the development of a diverse and inclusive culture that allows individuals to thrive and fulfil organizational as well as personal goals.

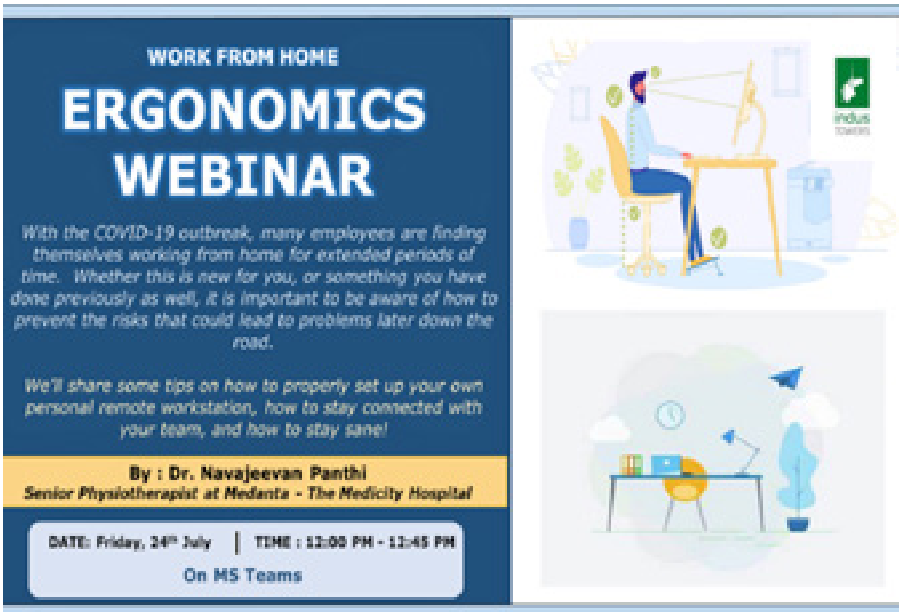
We actively work towards enhancement of employee capabilities with a view to 'Build an Indus of the future'.

We ensure telecom connectivity for end-users despite enormous challenges – ranging from natural calamities to a magnanimous health crisis. While the recent COVID-19 pandemic curtailed movement and caused enormous difficulties for our people to reach sites, their commitment and dedication helped us overcome every hurdle on our path.

Combating COVID-19

At Indus Towers, employee well-being and safety has always been a priority. In order to ease anxiety and offer support during the pandemic, we planned various initiatives to ensure the safety of our employees and their family members. Some of the measures were:

- Additional health insurance coverage for COVID-19 with monitoring and tracking COVID-19 cases on a daily basis.
- A cross functional leadership team (CSC- COVID-19 Steering Committee) was formed and spearheaded by the MD & CEO of the Company to deliver real-time solutions to our employees.
- We adopted technology and online tools to aid people management processes, ranging from hiring and on-boarding to Performance Management, Learning and Development to employee engagement.
- We focused on following protocols for all field employees and continuously adapted to new requirements on the basis of government notifications.
- To ensure employee well-being, discussions on topics like Mental Wellbeing, WFH Ergonomics, Health & Nutrition, Women Health issues, Digital Detox & Cyber security were prioritised
- We also included Home Care Treatment Indemnity Cover with our existing GMC policy for employees and their dependents at no extra cost.



Digitizing HR practices

At Indus Towers, we believe in embracing technology and use it to our advantage to make our processes simpler and more efficient. Our shift to the acclaimed Oracle Recruiting cloud has enabled us to completely digitize the recruitment process. The platform enables us to simplify the application and selection process. Talent acquisition team can also now set up interviews through this platform, receive feedback as well as manage internal transfers.

Further, we have automated the Talent Management process, with an aim to identify and build a talent pipeline. It has not only increased efficiency but, helped integrate HR processes related to learning, development and performance management.

Our HRMS platform enable us to do the following:

Inputs

- Business Strategy
- Environment
- Market changes
- Demographics (e.g. ageing population)
- Diversity & changing workforce
- Future planning
- Changing customer needs
- Legislation/ Government changes
- New technologies
- Workforce Strategy and Plan
- Employer Brand & Employee Value proposition

Outputs

- HR Strategy
- Talent Management & Development Strategy
- Compensation planning
- Retention plan

Succession planning

- Critical roles
- Selection for roles
- System/ Process/ Cycle
- Roles and responsibilities (manager, HR, individual)
- Policy
- Reporting/ Metrics
- Talent Readiness
- Talent Identification
- Bench Strength

Broadening our talent pipeline

Hiring the right candidate

To find appropriate employees, our hiring process involves various assessments (behavioural and functional), multi-stage interviews, aptitude and personality tests, pre-employment medical tests and complete background verification of candidates (conducted by an independent consultant). It enables us to build the best talent pool for our company.

Value fitment

Apart from ensuring their functional capabilities, our interview process also seeks to identify candidates on the basis of our core values- Excellence, Customer, Integrity, Teamwork and Environment. This enables us to carry out an objective evaluation of the candidate and his/her ability to work in a value-driven organisation. It is these qualities that enable our people to resist even the toughest of challenges and deliver exceptional performances.

Engaging with Armed forces personnel

At Indus Towers, we also recruit defence personnel for various roles. It introduces a fresh perspective to organisational duties and functions, enhancing problem-solving capabilities within the organisation. It also boosts operational excellence and promotes strategic thinking.

Human Capital (contd..)

Training

Corporate Induction

On the first day, an overview of the Company is provided, basic resources are shared and the employee is introduced to managers and teams across verticals. Further, employees are given an opportunity to interact with the senior leadership including the CEO. During the pandemic, the entire activity was moved online, to a virtual platform.

Relocation of employees

We have a pan-India presence in 22 telecom circles of the country and offer different roles for employees across the country. We encourage internal movement of employees within the organisation to support professional as well as personal growth.

Mandatory Training Programs

New joinees are assigned mandatory training programs through OLC to acquaint them with the ways of working at Indus. They complete these online trainings within the first month of their joining. Refresher trainings for these modules are also run for existing employees, annually or on a need basis.

- **Indus Code of Conduct** (It guides Indus Employees & Business Partners to maintain high standards of Ethics and Professional Conduct)
- **POSH** - Prevention of Sexual Harassment (POSH)
- **KAVACH** – Safety Training (ZERO Height & Electrical Accident)
- **Information Security**

101,386 hours

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

3,405

Overall Unique Participants for FY 2020-21

99%

Business Continuity Planning training coverage

100+

Online courses offered in FY 2020-21

99%

of active employees covered under these L&D Programs

Mod-0 Online Program

During the year, we launched our field competency development program - Mod-0. It is a field competency development program for FSEs & AOMs, launched in English and 8 regional languages. Over 90% of the targeted employees were covered by this program.

Technical Training Webinars

We conducted Technical Skill Enhancement Webinars in association with our equipment partners. Over 15 webinars were conducted on various topics including Battery, SMPS (Switched-mode power supply), DG, Test & Measuring Instruments; Lighting & Surge Protection and Earthing Systems. The average participation per webinar was close to 110 employees.

Training Need Assessment (2020-21)

Our learning team launched the TNI survey, based on Functional and Technical competencies. Among many other requirements, some key work related needs like financial acumen, digital transformation, contract governance and documentation emerged as important areas of intervention, as identified by employees and their managers.

Diverse and Inclusive workplace

At Indus Towers, we believe in creating a diverse pool of talented and skilled employees. Our policies and practices are aimed at initiating 'diversity' in its true sense. For us, a diverse workforce is made up of a cohesive group of employees. We intend to create a workplace that is free from bias and does not differentiate on the basis of gender, experience, skills or personal views.

In line with our commitment to diversity, we have introduced an internal referral program with extra referral bonus for female employees joining our organisation. We have also created an active network of women (i-WIN) to enable information sharing and coordination between female employees. The Management remains actively involved in endeavours that promote diversity within the organisation.

Some of the policies and activities celebrating diversity at workplace are:

- Gender-neutral policy for Prevention of sexual harassment (PoSH)
- Annual Celebration of International Women's Day
- Creation of Women's Club at all circles and Corporate offices for conducting monthly/quarterly activities
- Pick and drop facility for women employees, in case of extended working hours
- GM-level room eligibility for all women employees
- Bringing diversity within the organisation - measured as one of the KPIs in people Metrics Scorecard

Encouraging Employee Diversity

22

No. of women in on-field operations

19

No. of employees with differently-abled

7%

Diversity (Gender and PWD)

Learning and Development

Demographic and technological shifts have made it even more important for people to become 'fit for the future', both as professionals and as individuals. We constantly organise various learning and development initiatives for our employees. Due to the pandemic, new methods of learning have emerged and our employees continue to adapt with new-age processes. We migrated from classroom learning to a technology driven approach, through a virtual platform - Oracle Learning Cloud (OLC). It has allowed people to access productive information easily, from anywhere and at any time.

During the year, we introduced various new courses including Behavioural interventions (25), Technical Webinars (25) etc., creating a repository of more than 100 online modules to empower employees with necessary learnings.

Building a Strong Managerial Workforce during COVID-19

To ensure business continuity during the pandemic, employees who did not have access to remote working facilities were up-skilled and provided infrastructure and tools to engage with stakeholders and colleagues. Online methods were used for daily team meetings and frequent 1-1 check-ins. We also provided training to 'First Time Managers', to provide a basic understanding about managing teams remotely and to ensure work-life balance.

WebEx Knowledge sessions

Virtual sessions were organised to educate employees about new or anticipated dynamics in the passive telecom market.

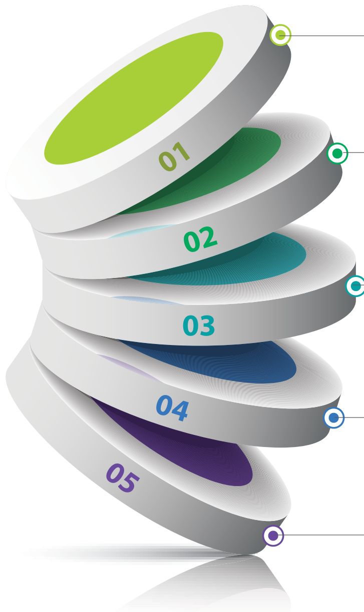
i-Excel and Talent Next– High Potential Development Framework

This program is aimed at identifying and developing individuals with high potential, across three levels of the organisation, with an extensive training framework.

Human Capital (contd..)

Harvard Program for leadership team

An 'Organisation Alignment Initiative' called Harvard Program for leadership team has been designed to build critical capabilities for 'Building an Indus of the future'. The program is designed in collaboration with stakeholders to achieve five key objectives:



Leadership development journey

The program aimed to create development plans to identify successors. The detailed Individual development plans include:

- **Management Development Programs**
- **Action Projects**
- **Executive Coaching (if required)**
- **Exposure to working with peers of his or her Manager.**

Initially succession planning exercise was undertaken only for Vice President and above levels. However, during the year, we decided to go a step ahead and expand this to Circle Functional Head roles as well.

Employee engagement

Our aim is to make our people proud of the work they do at Indus Towers. We not only want them to excel, we want them to realise their contribution to the organisation and provide them opportunities to learn and grow. Some of the key initiatives undertaken during the year include:

Social Work

Volunteering programs such as Personal Social Responsibility (PSR) was organised. Indus volunteers actively engaged in community service and contributed their time, resource and capabilities to bring about a positive change in the community.

Financial Well-Being

We conducted financial wellness programs that were designed to help employees manage their finances better. Some of the initiatives included:

- Setting up Helpdesks for PF KYC, Tax saving investments and NPS
- Online Course on Financial Literacy for all employees such as Finance for Non-Finance, Finance Essentials and Business Statistics

Virtual Engagement

We undertook various virtual engagement initiatives to keep our people motivated during their work from home tenure.

Environment, Safety & Health

We also undertook extensive Environment, Safety & Health (ESH) initiatives that helped employees and their families to understand and value safety.

Creche Facility

Understanding the importance of women employees working at offices, we have collaborated with creches, located in the vicinity of our offices, to keep young mothers relieved at work.

Focus on Performance Management

At Indus Towers, we are committed to provide our employees a fair chance for performance evaluation, ensuring complete transparency in the procedure. Post-merger, our priority was to seamlessly assimilate the different processes and systems from both the entities. The integration exercise touched every aspect of our performance management process, right from Goal Setting, Mid-Year Review to standardising the rating scales, payout parameters and the factors for performance evaluation. All employees were also on-boarded to a single HRMS platform for all types of HR procedures.

Further, we focused on a single performance management policy for all employees. We also conducted due diligence procedures to finalise the most appropriate framework and processes for our people. After receiving inputs from all concerned stakeholders, an all-encompassing policy was formulated and shared with employees, as part of the Know Your Policy initiative.

Safety Health and well-being

During these challenging times, various benefits and initiatives were undertaken to support the physical, mental, social and emotional wellbeing of employees and their family members. Some of the initiatives are mentioned below:

Executive Health Check-up

We organised executive health check-ups for all employees above the age of 30. This was done not just to extend support but to ensure the implementation of preventive measures.

Healthcare Programs

We conducted various healthcare programs on a regular basis to help employees manage health issues and stress at work or home.

Refer page 64 for COVID-19 initiatives undertaken by the Company.

Human Capital (contd..)

Prioritising Safety for on-field employees

To safeguard our employees and partners, we set up a dedicated ESH function at the corporate and circle level. In line with our endeavour to ensure zero accidents at sites, we invested in the stepping up safety of our employees by providing safety gears, Personal Protective Equipment (PPE) and enhanced the safety measures at work sites with roof edge protection, heavy gate replacement, site automation, transformer fencing, structure maintenance/strengthening, towers and fire protection were provided.

Further, we adopted employee training modules with the help of internal and external trainers and agencies. Topics covering awareness sessions to job specific trainings and certification programs were included in the module. Classroom sessions, online training modules, e-learnings, Defensive Driving Training (DDT) with practical demonstrations, Supervisor Training Assessment & Certification (STAC) (Height, electrical & civil), Certified Height Climber & Tower Erector (CHCTC) certification program for supervisors, riggers and Mod-0 for the operation team were conducted along with refresher trainings.

Rewards and Recognition

At Indus, we believe that organisational performance is driven by fostering a culture of appreciation and recognition. As a result, we organised various awards and events to appreciate the contribution of our people.

i-Appreciate

i-Appreciate is a spot recognition program that offers Indus Towers' employees instant recognition for a 'Super Job'. This initiative is applicable across organisational verticals and is a step towards true 'Recognition'.

ExCITE Awards

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

- ExCITE Star of the Month: Awarded monthly at circle and corporate level.
- ExCITE Star of the Year: Awarded annually at circle level
- ExCITE Value Champion: Awarded annually at organisation level, for each value

Organisation Level Awards

Awards are presented to circles, teams and individuals, quarterly and annually, for excelling in different areas of work.

Long Service Award

At Indus Towers, we believe that a simple thank you goes a long way to make our employees feel good. Thus, we appreciate the efforts and hard work of employees who have been associated with us for more than 5/10/15 years by giving them a long service award.

Circle level Awards

These awards focus on recognising teams and individuals at the circle-level. The awards are presented to winners by respective Circle CEOs.

Relationship Capital

We take active interest in stakeholder needs and engage in timely, two-way communication to foster valuable and collaborative relationships.

Delivering

high-quality services to our customers

Effective collaboration

with landlords enabling us to expand our presence

Sourcing

raw materials and services from local businesses thus contributing towards 'Aatmanirbhar Bharat' initiative of the Government

201.20%

Dividend payout ratio for FY 2020-21

Relationship Capital

Driving customer value

As India's largest digital communications infrastructure provider, our extensive network of infrastructure and high-quality service empowers all telecom operators in India. As a result, we strive to provide reliable, innovative, effective services built on our integrated infrastructure. Our customer-first approach and commitment ensures we drive customer value built on three fundamental pillars, namely:

Staying on the Pulse

We communicate with our Customers in a transparent manner to gain their trust and to understand their concerns and expectations. We strive for continuous improvement and are committed to using customer feedback so as to identify key issues and improve our performance.

We conduct customer satisfaction surveys through self- administered web-based interviews and online surveys by an independent third-party. These surveys provide us with customer insights, giving us learnings to serve them better, while also strengthening their trust in us.

Engaging our Customer

Engagement with our Customers takes place both at the operational as well as strategic levels.

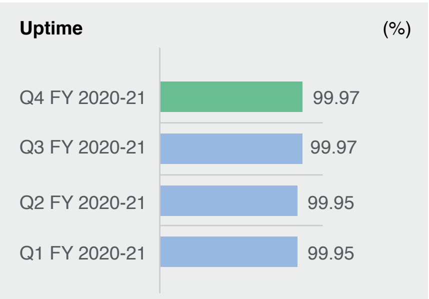
Adding Value for our Customers

We consistently deliver high-quality services to India's leading telecom operators and are indirectly linked to the vast sea of mobile users across the country. Our innovative solutions have resulted in enhanced efficiencies, which in turn have reduced costs for our customers, giving them the chance to participate in India's infrastructure build-out.

A trusted partner to our Customers

The onset of COVID-19 pandemic pushed the country into a nationwide lockdown at beginning of fiscal 2020-21.

This led to a surge in demand for data connectivity, as work from home and remote work-mode became a norm. The increasing need for communication, without any interruption was the need of hour. We leveraged our more than 15 years of experience, capabilities and resources to meet the surge in the network requirement and mobilised a 24*7 network.



In addition, we weathered several natural calamities and unanticipated challenges during the year. This included, 3 hurricanes in western and eastern coast and a major power grid failure in Mumbai, Maharashtra. In collaboration with our customers and other partners, we undertook measures swiftly, resulting in restoration of the network in record time. Our ability to ensure minimum downtime for our customers, quicker connectivity roll out and optimised processes, helps us deliver improved customer experiences.

> **Excellent collaboration between teams!!**
>
> **Every new site in Sikar is very critical for the business requirement. The site is of even higher strategic importance to us as it got deployed in the Sikar police campus. This will help in spreading the message across town about our affiliation with the Law & Enforcement authorities. This will surely help in getting some more CTA sites in Sikar.**
>
> **Keep it up!!**
>
> **Airtel CTO -** Rajasthan appreciation on delivering IA sites in Sikar which is known as one of the toughest market of Rajasthan Circle

Landlords

In our bid to widen our network infrastructure across the country, landlords play a critical role in our ecosystem. In course of our business, we collaborate and engage with various individual landlords as well as various institutions such as development authorities, municipal corporations, transport corporations and water boards – engaging to build a trustworthy and transparent relationship with them. With their support, we continue to install towers at new sites and develop the existing sites, thus enabling our telecom customers to widen their customer base to the remotest parts of the country.

The field movement was restricted and thus GST invoices were not collected. We took deviation and supported landlords by paying advance rental without invoices during the entire lockdown period ensuring steady flow of rental in tough times, when the economy and business were on a standstill. Landlords were even given flexibility to submit invoices later.

Central Warehousing Corporation – MD recently tweeted on their partnership with Indus Towers Ltd and promoting #Towers are good

JASBIR SINGH
COMMANDANT

27 Bn. Border Security Force
Tagore Villa, Kolkata
P.O. - Alam Bazar
Distt. - North 24 Pargana
West Bengal - 700035

Dated 04 Dec '20

Sub:- INSTALLATION MOBILE TOWER INFRASTRUCTURE AT BOP SAMSHER NAGAR IN AOR OF 27 BN BSF

Dear, Sneha,

I am writing this letter to appreciate the efforts of Indus Tower Ltd for installation of mobile communication tower at BOP Samshernagar in AOR of my unit. I particularly appreciate the efforts, hard works and dedication done by you for speedy for installation of mobile communication tower in remote border area of the county which will immensely benefit our troops performing duties away from their home & families.

2. I, on behalf of my troops would like to THANK the entire team of Indus Towers Limited for their good work.

(Jasbir Singh)
Commandant
27 Bn BSF

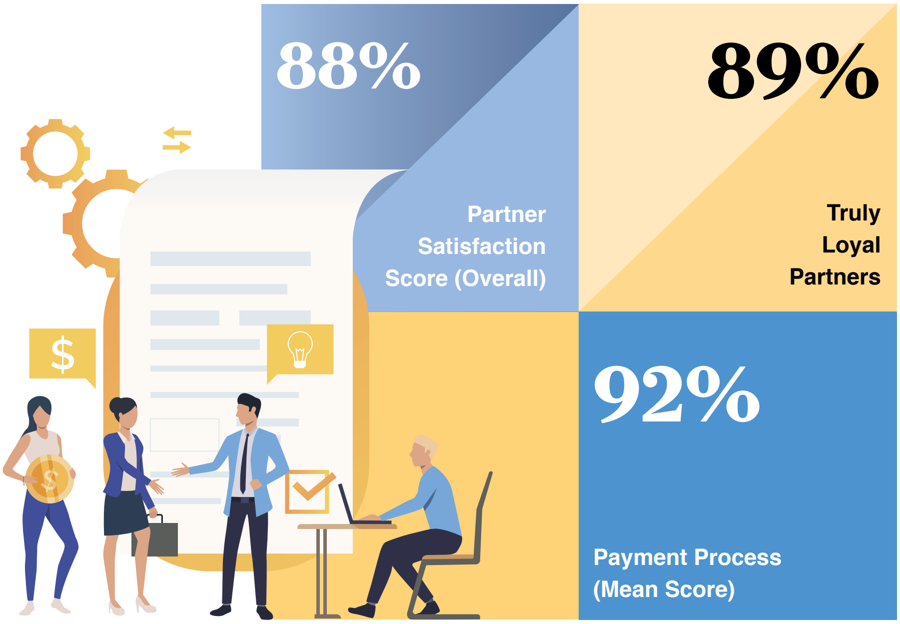
Indus Towers Ltd
West Bengal circle

Appreciation letter received from Commandant of CRPF Campus Bawana on showcasing great gesture to the forces by installing tower in Time

Relationship Capital (contd..)

Business Partners

Our supply chain consists of more than 2400 business partners. We value our business partners, working with them closely through our Supply Chain Management (SCM) framework. The framework defines on selection of our business partner through a meticulous checklist. Our supply chain management team undertakes the process of identifying and on-boarding the prospective business partner after ensuring that they meet our requirement of Quality, Cost, Development and Delivery (QCDD). Each business partner is assessed across multiple parameters, backed by audits, to ensure we mitigate all possible risks that arise in our supply chain mechanism. This mutually inclusive approach, ensures we understand their needs and meet our requirements as well in the best possible way.



> The pandemic experience has been dreadful for all of us. We were just caught unawares and were baffled as to how to encounter this appalling situation and how to keep our organization, workforce and family safe and intact. We were feeling trapped midstream in a typhoon. In such testing times Our partner Indus Towers rose to the occasion and supported us overwhelmingly and unconditionally.
>
> The major challenge during the early part of first wave was to manage the fund flow and somehow manage the Fixed cost. Indus ensured it. The payments continued to be received in the defined timelines, uninterruptedly. 99% of our invoices amounting to ₹ 64 crores raised in last 14 months stand paid. 82% of the invoices were paid in less than 3 weeks.
>
> Indus further introduced paperless invoicing by launching e-invoicing in September last year.
>
> It was a war like situation wherein Indus set aside standard norms & guidelines and took need based quick decisions including airlifting the teams and deployment of dedicated vehicles for movements of teams and material. Some of our ground force were stranded in the lockdown and again Indus was there to rescue and ensure their safe return.
>
> We are truly privileged and proud to be the partners of Indus Towers who firmly stood behind us to support us in such adverse situations.
>
> - M/S Cosmo

Our established Business Partner Relationship Management (BPRM) System validates our promise to stand tall with our business partners. The system is a two-way communication and monitoring system with a strong governance module at the heart of it. It helps resolve their queries as well as ensures payments are made on time to our business partners. During COVID-19 pandemic, we worked to digitise our operations and made timely payments to all our business partners. The reduced consumption of paper with digital invoices in place, did help us save ~720 trees and reduce our carbon footprint by ~540 MT.

As a part of government's 'Aatmanirbhar Bharat' initiative, we are taking giant steps towards sourcing our material and service requirements by collaborating with local business partners. Further, we also ensure that our business partners comply with applicable laws and regulations and conduct their businesses in a transparent and responsible way.

As a part of strengthening our long-term relationship with business partners, we regularly conduct Partner Survey Assessment Test (PSAT). This helps resolve any concerns of business partners or to take their valuable inputs to take the relationship forward. During the year under review, the overall experience with Indus Towers is rated higher than the competitors by the partners.

2,400+

Suppliers / Business Partners

Government and Regulators

At Indus Towers, we engage, collaborate and partner with government on multiple issues. We do advocacy for various regulatory policies governing our industry with various authorities on important issues/challenges for resolution of the issues by issuing favourable guidelines/ rules/policies/orders etc. Our Regulatory constantly monitors the changes ensuring timely compliance at all times. Our zero-tolerance approach for non-compliance is validated with our sustained investments in systems and processes at regular intervals.

Further, on a regular basis, we sensitize our employees about the need to comply and educate them about the compliance requirements within their job profile. During the COVID-19 pandemic, government guidelines of social distancing, wearing of face masks and regular sanitization of premises / sites were strictly adhered across the organization and any updated guidelines released by Government from time to time are adhered without any compromise.

At present, we are an active member of various trade associations and industry forums including:

- Tower and Infrastructure Providers Association (TAIPA)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industry (CII)
- Cellular Operator Association of India (COAI).

39,198
Contribution to Exchequer (₹ in Mn)

Shareholders and Investors

In our constant endeavour to maximise shareholder value and deliver sustainable and profitable growth, we responsibly allocate the pool of funds with a prudent capital allocation strategy. We also ensure regular and transparent communication with our shareholders and investors on matters pivotal for business through investor presentations, annual reports and conference calls. We also have an 'Investor Grievance Mechanism' to resolve investor complaints quickly and efficiently.

1
Grievances lodged by the investors/ shareholders and resolved

29.6%
RoE

201.20%
Dividend payout ratio

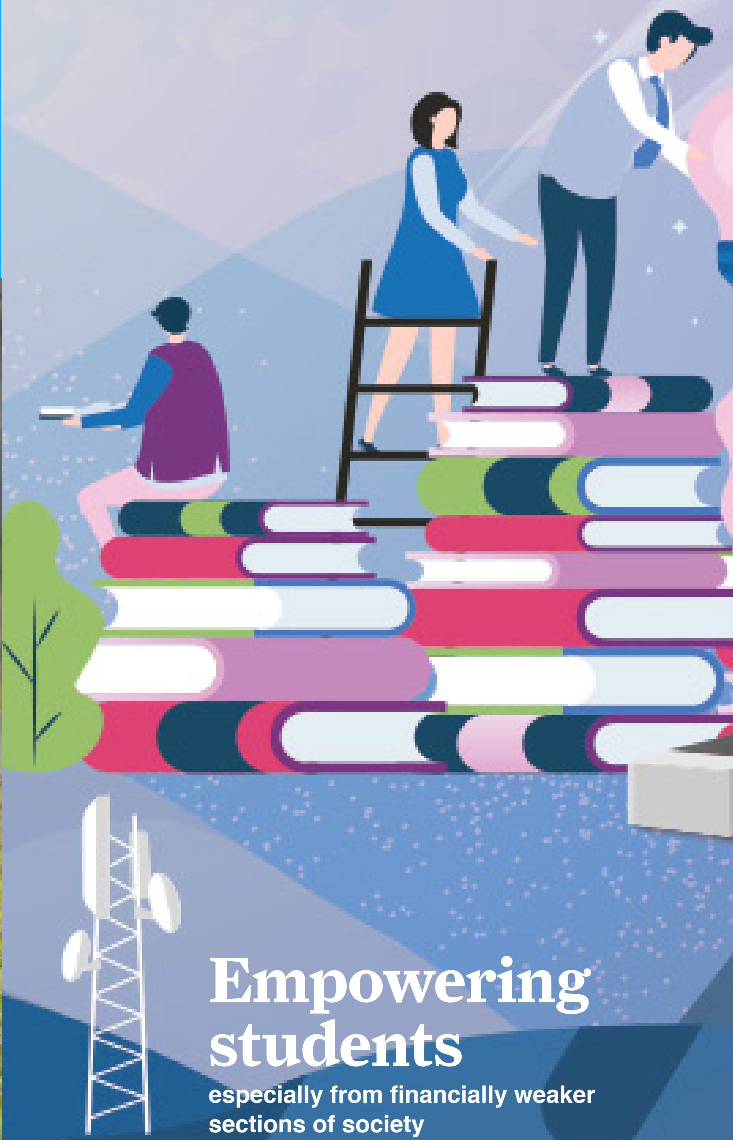
18.46
Earnings per share (in ₹)

20.12
Dividend per share (in ₹)

22.1%
RoCE

Social Capital

We rest on cherished values and our commitment to support responsible action to empower communities in need. It strengthens our ability to create the foundation of a harmonious and socially sustainable company, prepared to effectively tide through crisis.



Empowering students

especially from financially weaker sections of society

Addressing
varied needs of the society through our CSR interventions

Supporting
the communities in which we operate during these challenging times

Providing opportunities
for growth to underprivileged communities including people with disabilities

We have remained diligently focused on social concerns linked to our sustainable development goals, through varied CSR activities.

Our CSR endeavours aim to improve lives and offer opportunities for sustainable development of communities. At Indus, we are prepared to create a lasting impact by addressing the needs of our future generations. During the year, our CSR implementing partners leveraged digital technologies to execute projects and created a positive impact on society, traversing the hardships posed by the pandemic. Not only did we reach out to people lacking basic amenities, we ensured continuation of education through online programs developed for students and teachers.

SDGs

Vision

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

1.6 Mn +
Lives impacted through CSR

9
Projects undertaken

1,500.27
Spent on CSR activities (₹ Mn)

Education and Skill Development

The Right to Education (RTE) Act mandates equal access to education for all Indian citizens. The government's flagship programmes, Sarva Shiksha Abhiyan (SSA) and the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) have allowed underprivileged children to avail good quality education.

Indus Towers is dedicated to make quality education a reality for all sections of society. To make this mission successful, we have undertaken several initiatives for school children, offered scholarships and provided equal opportunities to boys and girls. With our consistent efforts to power India's digital revolution, we also aim to improve digital literacy through our educational initiatives.

The Satya Bharti School Program

The Satya Bharti School Program is a flagship program of the Bharti Foundation, aimed at empowering students from financially weaker sections of society. It endeavours to transform young children into educated, confident, responsible and self-reliant citizens. Across the six states of Punjab, Haryana, Rajasthan, Uttar Pradesh, Tamil Nadu and West Bengal, Satya Bharti School Program continues to deliver quality education, including girl child, free of cost, to underprivileged children studying in primary, elementary, and senior secondary standards.

These educational programmes also help us meet the global sustainable development goals of quality education and gender equality.

Outcomes achieved

183 Schools covered across 6 states	**40,500+** Students benefitted	**50%** Of the students were Girls
77% Of the students belonged to ST/SC/OBC	**1,410** Teachers	**72.5%** Of the total teachers were female

Note: All the numbers are as on March 31, 2021

Reaching for the stars

Amandeep Kaur, now an alumni of Satya Bharti Adarsh Sr. Sec. School, Fattubhilla, Punjab, has set the perfect example of overcoming all odds.

Amandeep's father is a farmer and her mother a homemaker. Their financial challenges multiplied after Amandeep's father developed health issues. Despite having to juggle between studies, supporting her mother for daily household chores and taking care of her father, she never gave up. Along with her studies, she started giving tuition classes to children from the neighbourhood to allay her family's financial woes. Amandeep scored 94.2% marks in her Class XII CBSE Board Examinations, in the Commerce stream.

Amandeep didn't let anything discourage her or stop her from fulfilling what she aspired for. Instead, her challenges fuelled her motivation to work harder. She is now an inspiration for many of her peers.

Social Capital (contd..)

Satya Bharti Quality Program

By adapting good practices from Satya Bharti Schools, the Satya Bharti Quality Program works in coordination with school leadership, teachers, students, and neighbourhoods to improve overall educational experiences in partnered government schools. It primarily aims to promote lasting change across four areas: student empowerment, school leadership and teacher engagement, parent and community involvement and school environment. We have undertaken this initiative in collaboration with Bharti Foundation.

Outcomes achieved

802
Schools covered across 14 States/UTs

235,000+
Students benefitted

51%
Of the students were girls

58%
Of the students belong to SC/ST/OBC

9,780
Teachers

72.5%
Of the teachers were female teachers

Note: All the numbers are as on March 31, 2021

Girl Child Education Program

In collaboration with IIMPACT, this program offers education to girls from socially and economically disadvantaged sections of society, by establishing community-based learning centres in the villages of Uttar Pradesh, Uttarakhand, Haryana, Rajasthan and West Bengal. It offers access to primary education for girls who have dropped out of school and prepares them to adapt to the needs of mainstream education.

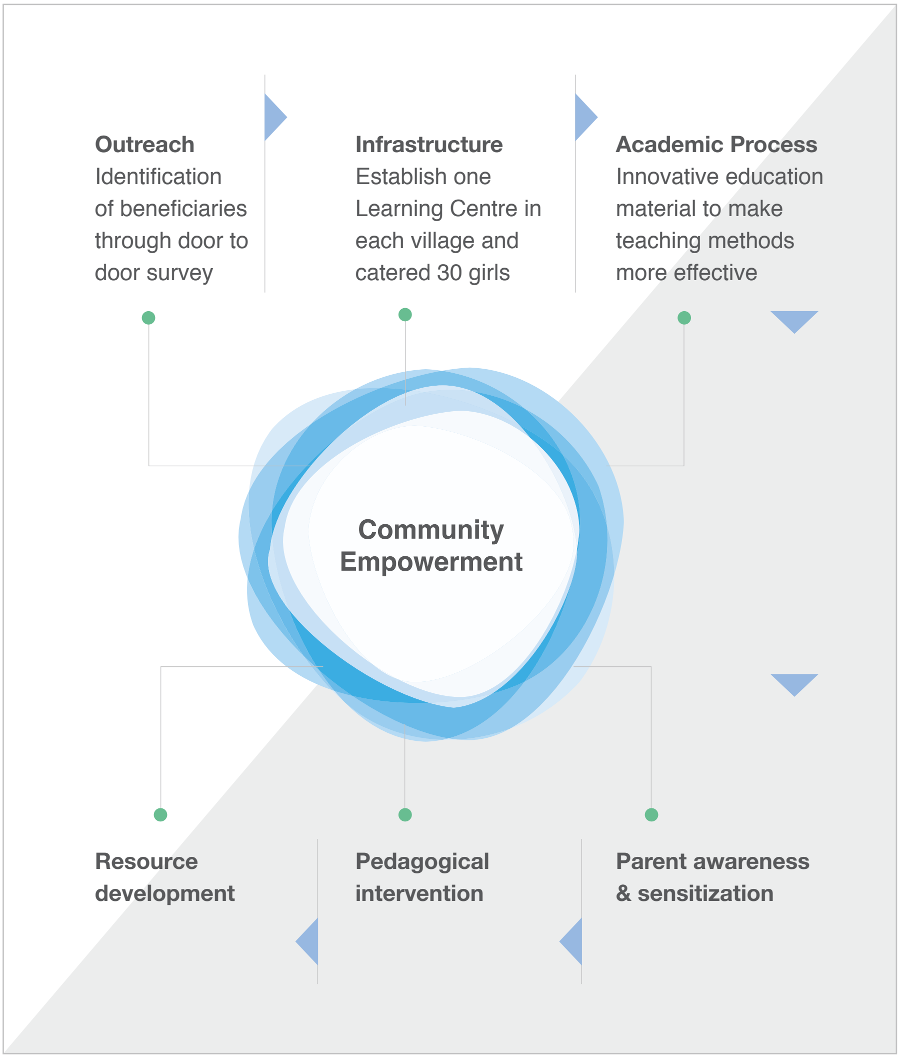
The program is aimed to offer a holistic approach to transforming lives by encouraging community participation:

Role of Society: Creating awareness regarding the importance of education.

Role of Parents: Making them realise the importance of daughters.

Role of Schools: Bringing quality education to the door-step of children.

Impact on Girls: Postponement of marriage until they reach the legal age of marriage.



Outcomes achieved

5	12,300	410
States covered	Girls benefitted	Learning centres

Note: All the numbers are as on March 31, 2021

Social Capital (contd..)

Addressing special needs to create confident individuals

Special children often find it difficult to cope with others of their age due to certain limitations in learning and developmental capabilities. It, therefore, restricts their participation in day-to-day activities, impeding their growth and development.

Archana Bind, a special child, lacked proper hand-eye coordination and had difficulty in walking and speaking. She was also unable to hold a pencil and eraser properly. Her parents tried to enrol her in the village school but, she was denied admission due to the lack of proper facilities for educating differently-abled children. She was left with no other option but to sit at home without any scope for education.

During a survey conducted by the Leaning Centre team, Archana Bind was recognised as a child who had never been to a school. She was then enrolled in our leaning centre where she received support, motivation and love from the team. She started responding positively, within just three months of her enrolment. Despite her communication issues, she started interacting with the other girls in the centre as well as her teachers.

For the first time in her life, she felt a sense of belonging to society and could connect with others. She can now count numbers and memorise English letters, hold a pencil to write numbers and alphabets and recites rhymes with immense joy. She still faces difficulty in writing Bengali but with unconditional support from her parents and the team at the learning centre, she never loses hope. Her improvement and dedication is heart-warming and strikes a chord with everyone around her. Over a period of time, her self-confidence and will-power has also increased significantly.

Now, she is 8 years old and has finally got the opportunity to be part of the formal education system. Archana's success is a motivation for many, making us extremely proud of her achievements.

Digital Education

Gurushala

After conducting a thorough need-based assessment, Gurushala program of Vodafone Foundation created an online training module that focused on using technology to enhance educational opportunities, especially during the pandemic when schools were closed for indefinite periods. It involves the use of software to assist teachers to successfully conduct online classes or develop content. It also aims to resolve problems associated with managing an online class and designing and performing evaluations across platforms.

Gurushala has increased its outreach to numerous government agencies, for collaboration at the state and district levels. We partnered with Vodafone Foundation to further expand the reach of the program. At present, Gurushala is working with 17 government partners in 15 states and Union Territories of India. The programme is now conducted in collaboration with state-level academic bodies for developing teacher training sessions. Special workshops for teachers are also organised in association with government officers, advisors and professionals.

Outcomes achieved

26 States and Union Territories covered	**576** Districts covered	**1,170,000+** Beneficiaries
10,700+ Schools engaged	**65,700+** Registered users on Gurushala	**118** Training batches
51,947 Teachers trained	**100+** Webinars and Q&As session conducted	**100+** Course modules offered

Note: All the numbers are as on March 31, 2021

Social Capital (contd..)

Connecting Teachers

Gurushala has also created a robust online network of teachers through social media platform groups, whereby teachers can share best practices with each other. Over 85 interest and location-based communities allow teachers to easily communicate among themselves, about common topics of interest.

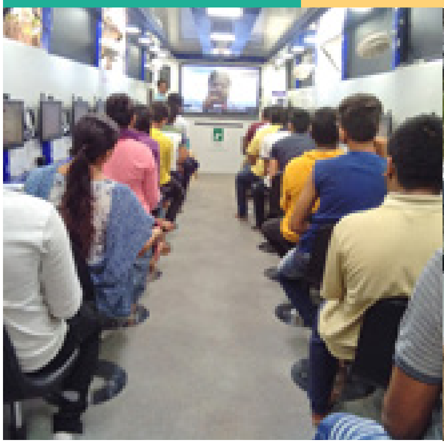
In addition, Gurushala organised several competitions throughout the year to recognise the relentless efforts of teachers in propagating quality education. It adopted an integrated approach and featured stories of Gurushala teachers on a regular basis. Sessions with various teacher panellists were also organised at frequent intervals. The teachers were also encouraged to write about their experiences on the Gurushala blog.

Outcomes achieved

50,000+
Teachers on WhatsApp and Telegram

61
Competitions

91
Teacher Story Podcasts



Note: All the numbers are as on March 31, 2021

Indus Digital Transformation Van (DTV)

Indus DTV provides a unique solution to overcome the digital divide. A mobile van brings information and knowledge to isolated and marginalised groups in rural and urban areas with an aim to enhance computer literacy and offer IT enabled education. This endeavour has proved to be extremely beneficial for the rural and urban youth, school children, women and other community groups. The program is undertaken in collaboration with NIIT Foundation.

Project Features:

- Basic IT education to anyone up to 60 years of age
- Advanced IT education for students
- Cyber programs for middle school students and young adults
- Introduction to Internet of things (IoT) for middle school students and young adults

40,000+
People benefited as on March 31, 2021

Our Digital Transformation Vans benefit communities in Delhi/NCR, Dehradun and Bhopal.

Scholarship Program

For people with disabilities

The Indus Towers Scholarship program, implemented in partnership with Shishu Sarothi NGO, promotes and facilitates higher education of students with disabilities, from 8 north-eastern states. In its first phase, scholarships were awarded to 195 students with disabilities, to support their pursuit for higher education.

The second phase of the program is also underway and students will be offered scholarships over a period of 5 years, between 2020-21 and 2024-25. For session 2020-21 'Scholarship Award Ceremony and Induction Program' was organised across North Eastern States (Project area), to support 120 students. With these efforts, we aim to promote inclusion of people with disabilities in mainstream education and work. Our programs have been widely appreciated on different platforms and the government has also recognised our efforts to facilitate change within society.

316

People with disabilities provided scholarship

For underprivileged students

The AWOOF-INDUS Scholarship Program intends to provide scholarship to bright and deserving students. It also offers financial assistance to meritorious students for completing their higher education and thereby, paves the path for a better future. As on March 31, 2021, over 1000 scholarships have been awarded to undergraduate students in 19 states, to pursue professional courses, especially to students enrolled in engineering and medical degrees.

1,000+

Scholarship awarded as on March 31, 2021

Disaster Relief and Rehabilitation

Natural disasters can wreak havoc on life as well as livelihoods. To aid relief and rehabilitation efforts in tough times, we are dedicated to offer financial and infrastructural support to the nation. The recent COVID-19 pandemic also resulted in unfathomable losses and Indus Towers stepped up efforts to lend a supporting hand during an unprecedented crisis.

COVID-19 initiatives

Contribution towards PM Cares fund: ₹ 600.64 Mn.

In Chattarpur, Delhi, the government established India's largest COVID care centre and hospital, with a capacity to accommodate

10,000 people.

We also made significant contributions to the IT infrastructure space with the installation of WiFi and LAN networks, making necessary arrangements for IP telephony, installation of CCTV cameras etc. to benefit millions of people.

Social Capital (contd..)

Supporting merit

Shridhar Hegde hails from Bangalore, Karnataka. After losing his father at a very young age, his mother took up the sole responsibility of the family. Unable to fulfil the basic household needs, Shridhar's mother asked for financial aid from her relatives to support Shridhar's education.

Shridhar mentions, "After my father's death, my mother started working as a social worker in a small NGO. Her monthly salary is ₹ 6,500, which is not enough to meet the family's basic requirements. However, she knows the value of being educated and always motivates me to achieve my goals". Shridhar has always been a rank holder. He scored 96% in SSC and 93% in the Pre- university course (PUC) exam. With his remarkable efforts, Shridhar secured his admission at IIT Guwahati. At present, he has been placed as a software engineer with Société Générale at an annual package of ₹16 lakhs per annum.

Need-based initiatives

At Indus Towers, we believe, healthy and happy children lay the foundation of a prosperous nation. To meet out equal opportunities to abandoned and orphaned children, we undertake initiatives to provide quality education and offer rehabilitation facilities for abandoned children. We also participate in mid-day meal programs to make healthy and nutritious food easily accessible in government schools.

Project Nurture

The program provides basic means to orphaned and abandoned children in SOS children's villages across India to lead healthy and meaningful lives. The program focuses on providing access to good nutrition, quality education, clothing, shelter, skill development, rehabilitation and other capacity building programs for 310 orphaned children, living in 31 family homes across 15 cities of India. With dedication, care and support of family homes, the children are equipped to lead empowered lives.

To aid the holistic development of children, Indus employees also actively engage with the children and SOS Mothers.

Project Nurture is rooted to the following four pillars:

Right to survival: Right to live, access to nutritious food, shelter, adequate standard of living, access to medical services

Right to development: Right to education, play, freedom of thought

Right to protection: Right to safety against abuse, exploitation

Right to participation: Freedom to express opinion, capacity development

We have supported the holistic growth of 430 children till March 31, 2021

Building brighter futures

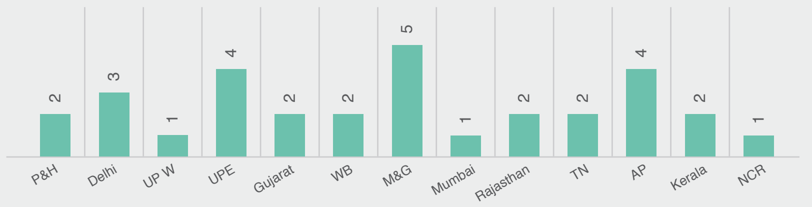
The contribution of our CSR partners and donors have helped us to improve the lives of numerous children residing in SOS villages. The story of Kajal is one such inspiring tale that reflects the success of compassionate endeavours.

Kajal, a student of Class 8, boasts of a remarkable academic performance. She scored 96% in her previous exam and is an intuitive child who is aware of the importance of education for securing a sustainable livelihood. Her excellent academic record makes her teachers extremely proud of her success.

Although, she was a little shy at the beginning of school life, she slowly made lots of friends at school and shares a good bond with everyone in her SOS family and the SOS Children's Village where she lives.

She also helps her younger SOS brothers and sisters with their studies and plays chess with them. Kajal also has a melodious voice and has emerged as an outstanding performer. She has recently developed a good command over anchoring and SOS Children's Village plans to encourage her in all her endeavours.

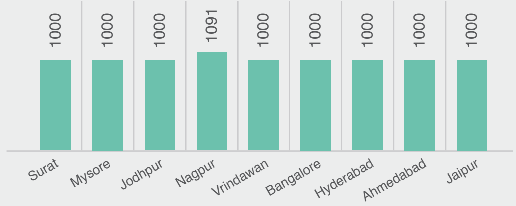
Program location as per FY21 MoU (No. of family homes)



Mid-day meal program

Indus has partnered with Akshaya Patra Foundation to provide nutritious and healthy meals to children in government schools of Surat, Mysore, Jodhpur, Nagpur, Vrindavan, Bangalore, Hyderabad, Ahmedabad and Jaipur. Our mid-day meal program aims to benefit 9,091 students in government schools (aged 6 to 14 years), by offering nutritious lunch and dry ration to their families, for the entire academic year.

Program location (No. of Student)



42,000+

Students benefitted as on March 31, 2021

Employee Volunteering Program

At Indus, our employees remain committed to create positive social change through base-level intervention and volunteering. Through the Personal social responsibility volunteering program, we actively engage in community service and strive to ensure positive change within communities.

654

Volunteer hours contributed during FY 2020-21

2,476

People benefitted in FY 2020-21

To enable holistic development of society at large, our social development projects are implemented after thorough assessments, periodic monitoring and meetings with beneficiaries. Programs aimed at addressing educational needs, skill development, digital literacy, sustainable energy development, livelihood and rehabilitation invites the active participation of community members. It enables us to analyse specific needs and initiate projects that are perfectly designed to meet their requirements. Many of these projects have also been supported by the government.

Progress reporting is based on Key Performance Indicators of social projects implemented by various Project Implementing Agencies in multiple locations. These projects are supported solely by Indus Towers. For programs partnered with Bharti Foundation and Vodafone Foundation, the outputs and outcomes of these projects are attributable to other co-funders.

Awards & Recognition

Human Capital

Gallup Exceptional Workplace Award 2021

Gallup Great Workplace Award 2020


INDIA'S BEST COMPANIES TO WORK FOR 2020

Indus Towers Ltd.

Rank 17

For inspiring **trust** among your people, instilling **pride** in them, creating an environment that promotes **camaraderie**, and delivering a great workplace experience **for all** your employees that make your organization one of **India's Best Companies to Work for.**

The Economic Times

The Economic Times & Great Place To Work institute- India's Best Companies To Work For 2020

Manufactured Capital

Winner Of CII 16th KAIZEN Competition-Maharashtra State Level

Indian Society For Quality

Bharti Changemaker Award for CSR Initiatives

Intellectual Capital

Winner Of The Express Computer Data Center Award 2020

FROST & SULLIVAN

Indus was recognized as a Winner in Process Innovation Leadership Category (Service Sector) for Zero Intervention Site for Network Operations and received Certificate of Merit in Supply Chain Leadership Category (Service Sector) for DG Repair TAT Improvement at the 7th Edition of Project Evaluation & Recognition Program (PERP) 2020 hosted by Frost & Sullivan

Winner Of The ICICI Lombard & CNBC TV-18 India Risk Management Award 2021

Received the award for the 'Best Tower Infrastructure Provider' and 'Lifetime Achievement Award - Mr Akhil Gupta' at ET Telecom Digital Telco Virtual Summit 2020

Indus Towers won first-ever Digitization Award 2020 for Business Process Innovation

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN):	L64201HR2006PLC073821
2. Name of the Company	Indus Towers Limited (formerly Bharti Infratel Limited)
3. Registered Address	901, Park Centra, Sector-30, NH-8, Gurugram-122001, Haryana, India
4. Website	www.industowers.com
5. Email id	compliance.officer@industowers.com
6. Financial Year reported	2020-2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecom Tower Infrastructure Sharing Services

Industrial Group	Description
612	Activities of providing Telecom Tower Infrastructure Sharing for telecommunication services
As per National Industrial Classification – Ministry of Statistics and Programme Implementation	
8. List three key products / services that the Company manufactures / provides (as in balance sheet):	Services related to Telecom Tower Infrastructure Sharing. (Acquire, build, own, maintain and operate towers and related infrastructure).
9. Total number of locations where business activity is undertaken by the Company	Indus Towers Ltd. (formerly Bharti Infratel Ltd.) is carrying out business activity across all States and Union Territories of Union of India
Number of International Locations (Provide details of major 5)	Nil
Number of National Locations	Indus Towers Ltd. (formerly Bharti Infratel Ltd.) is carrying out business activity across all States and Union Territories of Union of India
10. Markets served by the Company - Local / State / National / International	At present, the Company is serving only National market

Section B: Financial Details of the Company

1. **Paid up capital (₹)** : 26,949 Mn
2. **Total turnover (₹)** : 139,508 Mn
3. **Total profit after taxes (₹)** : 33,382 Mn
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2.11%
5. **List of activities in which expenditure in 4 above has been incurred:**
   1) Contribution to PM Care fund (COVID) and support during COVID (disaster initiative)
   2) Education and Skill development
   3) Monitoring and administration

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes

2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**

   No

3. **Do any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

   Few initiatives have been undertaken by our supplier/s, as per common practice, however, there is nothing significant to report.

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**

   a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

   DIN Number : 08927887
   Name : Bimal Dayal
   Designation : Managing Director & CEO

   b) Details of the BR head:

   Name : Rajiv Arora
   Designation : General Counsel
   Telephone no. : +91 124-4296766
   e-mail id : rajiv.arora@industowers.com

2. **Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3
Businesses should promote the well-being of all employees

Principle 4
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5
Businesses should respect and promote human rights

Principle 6
Businesses should respect, protect, and make efforts to restore the environment

Principle 7
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8
Businesses should support inclusive growth and equitable development.

Principle 9
Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If Yes, specify? (50 words) *	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director? **	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy? ***	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?****	Y	N	N	Y	Y	N	N	Y	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? ##	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? ###	Y	Y	Y	Y	Y	-	-	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? ####	Y	N	Y	Y	Y	-	Y	Y	Y

* The policies are formulated with in consultation with the relevant stakeholders to the extent possible and are benchmarked across industry.
* The Policies are aimed to conform national/ international standards to the extent applicable or relevant to the Company.
** As per Company's practice, all the policies are approved by the concerned authority depending upon the nature of policy. The concerned authority could be either MD & CEO/Functional Head etc.
***Wherever so required by law, the Committee of the Board oversees the implementation of the policy. In any case, the respective policy owners are responsible to oversee the implementation of the Policy.
**** Except Code of Conduct Policy and CSR Policy, all other policy documents are internal policies of the Company and thus, are not available on website of the Company.
For Code of Conduct - https://www.industowers.com/about/#code-of-conduct
For CSR - https://www.industowers.com/about/#making-committments
The policies are communicated to external stakeholders by uploading on the website or attaching as part of the respective contract. Internal policies are communicated by uploading on the intranet and are accessible to all employees of the Company.
Any Grievance relating to any of the policy can be escalated to the Policy owner/ MD & CEO/ Ombudsman.
Implementation of the policies is evaluated as part of internal governance by policy owners.

2a. If answer to question at Sr. No 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not applicable as answer to question at Sl. No. 1 against all principles is 'Yes'.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

  On annual basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes, the BR Report is published annually as part of the Integrated Report and available on the website of the Company at https://www.industowers.com/.

Section E: Principle-wise Performance

Principle 1

Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its performance with integrity. Policy relating to ethics, anti-bribery and corruption is duly covered under Indus Code of Conduct and Anti-Bribery and Anti-Corruption Policy. The Code of Conduct extends to employees, suppliers and contractors, service providers and their employees.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.

In FY 2020-21, 47 cases of allegations of financial impropriety/ bribery were received. Post investigations, 22 cases were closed, and report submitted to the management for implementing recommendations of Ombudsman steering committee. In 25 cases, the investigation is in progress.

Principle 2

Product Lifecycle Sustainability

Businesses should provide safe goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.

Through following products and services, Company has attempted to incorporate Social or Environmental concerns and opportunities in their design:

- Indoor to Outdoor Conversion

- Systematically waning site dependency on Diesel as a power source (to Solar or Electric)

- Replacing Air Conditioners with Natural Cooling Units harnessing natural airflow to ventilate telecom sites

- Pilot involving High-Capacity Li-Ion batteries at select sites & SMART city projects

2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):

a) reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

- Indoor to Outdoor Conversion is a practice wherein heat producing equipment at the base of a site is transferred from air-conditioned enclosure to an open cage to avail natural cooling, the benefits are manifold i.e.

  o Build cost and impact on surrounding ecology diminishes

  o Utilization of natural cooling

  o Zero cost of Air Conditioning

  o Overall power consumption for the site goes down

  o Per site Carbon footprint reduces

- Systematically waning site dependency on Diesel as a power source (to Solar or Electric)

  o Reduces dependence on pollutants like Diesel

  o Site Repair & Maintenance costs also comes down

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Reduction in terms of procurement, energy spend and carbon emissions has been achieved due to these initiatives:

- Replacing Air Conditioners with Natural Cooling Units harnessing natural airflow to ventilate telecom sites

- Pilot involving High Capacity Li-Ion batteries at select sites & SMART city projects

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

Yes, the Company ensures sustainable supply chain practices throughout the lifecycle of all its procurements.

Warehouses are strategically oriented for shortest distance to sites and returns. Compliances to Govt standards are maintained while procuring fresh goods and discard of used and scrap assets. Emphasis and strategy are practiced for repair and reuse of assets.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company proactively engages with local and small businesses for the purpose of Goods as well as Services Procurement, a few illustrations on the same:

- 100% of Site Turnkey Solution Provider services are sourced through SME Enterprises

- Site Operations & Maintenances services are also 100% SME sourced

- ~55% of supplies portfolio (in terms of spend) is locally sourced

The Company actively endeavours to handhold, on-board and groom small and local businesses for fulfilment as well as TQM culture adherence.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so.

Yes, the Company adheres to a robust recycling mechanism through the following processes:

- Immediate Site Return Note (SRN) Health Assessment: Any material retrieved from the field to the warehouse(s) is subject a through health assessment conducted by a 3rd party Chartered Engineer, declaring the asset

Repairable (& redeploy-able) or Beyond Economic Repair (BER); An asset so repaired is thereafter redeployed to the field along with fresh inventory stock

- Environmentally responsible Scrap policy: The Company independently verifies and partners with only those metal scrap buying entities that adhere to environmentally sustainable or salvaging practices

- E-Waste Manage: The Company complies to the "E-waste Management Rules 2016" and is compliant towards the following important provisions of the abovementioned rule i.e.

  o Ensuring that e-waste is collected and stored in a secured manner till it is sent to authorised dismantler or recycler as the case may be:

  o Ensuring that no damage is caused to the environment during storage and transportation of e-waste; and

  o Ensuring all Environmental and Statutory Compliances are adhered to

  o Filing annual returns in Form-3, to the concerned State Pollution Control Board on or before the 30th day of June following the Financial Year to which that return relates.

Principle 3

Employee well-being

Businesses should promote the well-being of all employees

1. **Total number of employees.**

   As on March 31, 2021, the strength of Indus Towers Ltd. on roll workforce stands at a total of 3,442.

2. **Total number of employees hired on temporary / contractual / casual basis**

   As on March 31, 2021, the strength of Indus Towers Ltd.'s workforce on temporary basis stands at a total of 6,363.

3. **Total number of permanent women employees.**

   As on March 31, 2021, the strength of Indus Tower Ltd.'s permanent women employees stands at a total of 221.

4. **Total Number of permanent employees with disabilities.**

   As on March 31, 2021, the strength of Indus Tower Ltd.'s permanent employees with disabilities stands at a total of 19.

5. **Do you have an employee association that is recognised by the Management?**

   No

6. **What percentage of your permanent employees is member of this recognised employee association?**

   NIL

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year are pending as on the end of the Financial Year.**

   NIL

8. **What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?**

   a) Permanent employees –

      - New Joinees mandatory Safety Training – 93%

        Safety Refresher - Post the merger, the KAVACH training module is getting redeveloped with the necessary changes and will get launched shortly.

        Skill Upgradation (Behavioral – 98%

        Skill Upgradation Functional) – 85%

   b) Permanent women employees –

      New Joinees mandatory Safety Training – 87%

      Safety Refresher - Post the merger, the KAVACH training module is getting redeveloped with the necessary changes and will get launched shortly.

      Skill Upgradation (Behavioral) – 97%

      Skill upgradation Functional) – 61%

c) Casual/Temporary/Contractual Employees – 100% for off roll new joinees in the pre- merged Company

Safety Refresher – Post the merger, the KAVACH training module is getting redeveloped with the necessary changes and will get launched shortly.

On-going on the job training. - Nil

d) Employees with disabilities –

New joinees mandatory safety training - Nil

Safety Refresher - Nil

Skill Upgradation (Behavioural & Functional) - 100% for pre-merged Company

Principle 4

Stakeholder engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes / No

   Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are:

   1) Customers
   2) Shareholders/Investors
   3) Partners (Suppliers/Vendors/Landlords)
   4) Employees
   5) Government and Regulatory Bodies
   6) Industry forums
   7) Community at large including the disadvantaged groups and vulnerable sections

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

   The Company through its CSR works with disadvantaged, vulnerable and marginalized stakeholders, in association with implementing partners. All our beneficiaries through the social development projects implemented by our CSR implementing partners are centered around the marginalized, economically weak and disadvantaged sections of the society. Our company's community initiatives are being implemented in both rural and urban areas.

3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

   Indus Towers has always been at the forefront of providing support towards social concerns under CSR pillars namely Environmental Sustainability & Swachh Bharat, Education and Skill Development, Community Empowerment and Livelihood, Disaster 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 is an integral part of our business strategy. We have a very clear CSR vision of transforming the lives of communities by improving their socio-economic conditions which is also embedded within our CSR policy. Company's focus on varied social intervention and the governance system that guide us in delivering the desired impact on ground are well defined in our CSR Policy as well. Our focused CSR programs linked to sustainable development goals include:

   - Satya Bharti School Program provides free and quality education to underprivileged children in rural India across 6 states (Punjab, Haryana, Rajasthan, Uttar Pradesh, Tamil Nadu and West Bengal) with focus on girl child. Till date have supported 183 Satya Bharti Schools benefitting over 40,000 underprivileged children
   - Girl Child education program provides education access to girls from socially and economically disadvantaged communities by setting up community-based learning centres in villages (in UP, Uttarakhand, Haryana, Rajasthan and WB states) to provide access to primary education to out-of-school girls and enabling them for mainstream education. Till date have supported education of 12,300 Girls through 410 learning centers.
   - Gurushala program has provided digital platform to over 21,000 teachers across India with innovative teaching practices and integrate technology in their classrooms in association with Vodafone Foundation.
   - Indus Digital Transformation Van (DTV) program have supported digital education to more than 40,000 rural population through Indus digital transformation Van.

Indus has introduced three Digital Transformation Van to benefit the community in Delhi/NCR, Surat, Dehradun and Bhopal through implementing partner NIIT Foundation

- Scholarship program for underprivileged Students: More than 1000 scholarships provided to not so privileged undergraduate students across 19 states to pursue engineering and medicine courses. Partnered with A world of opportunities Foundation.
- Scholarship program for people with disability: Till date, we have provided scholarship to 316 people with disabilities to pursue higher education. Partnered with NGO Shishu Sarothi. Our efforts to promote inclusion of people with disabilities and bring them into the mainstream have also been appreciated at different platforms including by the government.
- Under the disaster initiative efforts, we have supported government in relief measures of COVID-19 through contribution of ₹ 250.64 Mn.

  Indus CSR also contributed towards IT infrastructure (WIFI, LAN & CCTV cameras) in India's largest COVID care centre in Delhi impacting millions of people.
- Project Nurture program focusses on access to good nutrition, education, clothing shelter, quality education, rehabilitation and other capacity building programs to 430 parentless and abandoned children living in 43 family homes across 15 cities in India
- Food, eradication hunger and malnutrition program have supported Mid-day Meal program in government schools across nine cities (Surat, Mysore, Jodhpur, Nagpur, Vrindavan, Bangalore, Hyderabad, Ahmedabad & Jaipur) benefitting more than 42,000 students

Principle 5

Human rights

Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   Human rights aspects are covered in various policies like Indus Code of Conduct, policy on decent work conditions especially ensuring respect and dignity of women and Environment, Safety and Health Policy. Code of Conduct extends to all employees and contractors, group companies, joint ventures and suppliers and other policies mainly cover employees and contractors.

2. **How many stakeholder complaints were received in the past Financial Year and what percent was satisfactorily resolved by the Management?**

   One complaint w.r.t. non-receipt of dividend warrant was received during the Financial Year 2020-2021 which was duly redressed.

Principle 6

Environmental management

Businesses should respect, protect, and make efforts to restore the environment

1. **Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The safety policy as of now is covering only the Company and its employees and contractors.

2. **Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company has pro-actively taken steps to create positive impact on the environment. We continue to stride towards being a Zero Emission Network (ZEN) organisation. Refer Natural Capital section of the Integrated Report for more details.

3. **Does the Company identify and assess potential environmental risks? Y / N**

   Yes

4. **Project(s) related to Clean Development Mechanism.**

   Currently, the Company is not undertaking any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.**

   Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. Refer the Natural Capital Section of the Integrated Report for more details.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

   The Company in most of the cases is well within the permissible limits.

7. **Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the Financial Year.**

   As per the records available with the Company, there is no notice pending at the end of the Financial Year.

Principle 7

Public Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is inter alia a member of the following business associations:

   - Tower and Infrastructure Providers Association (TAIPA)
   - Confederation of Indian Industry (CII)
   - Cellular Operators Association of India (COAI)

2. **Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)**

   Indus Towers Limited is India's largest Telecom tower Company and enabler for the digital communication revolution in India. Hence, yes, we do play active role in tandem with industry associations and provide our inputs to consultation papers, policies related documents, order, notifications released by concerned authorities and/or policy/ guideline related to:

   - Telecom/Digital Infrastructure i.e Tower, OFC, IBS, Street furniture, Small cells etc.
   - Scope enhancement of IP-1 i.e to include deployment of active infrastructure in the scope of IP-1s
   - Smart cities
   - Multi-utility Duct
   - Safety
   - Environment

   In addition, we also do advocacy in a responsible manner along with industry association at State, district level also for smooth implementation of direction, policy issued by Department of Telecommunications, State, commissioners or any local authority(ies). Indus provides its inputs directly as well as through Industry association(s) for an appropriate representation to the concerned authority. Indus focuses on policies which are beneficial for the public and maximise the opportunities and capabilities of individuals and companies to innovate, increase job creation, benefit the daily lives of people through enabling seam less connectivity and strengthen the country's economy. We work to ensure that our public policy positions complement or advance our sustainability and citizenship objectives. We are committed to enable seamless connectivity by providing robust telecom/ digital infrastructure on sharing and non-discriminatory basis to reduce capex cost of our customers.

   Indus is committed towards growing our business in sustainable manner, while remaining accountable to all our stakeholders. Our mission is to enable fastest rollout of telecom services based on latest technology to connect all unconnected and support our customers and Government of India to achieve mission of "Digital India".

Principle 8

Inclusive growth

Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.**

   Our business processes promote inclusion of our different stakeholders as per the requirements on ground, especially the communities that we operate in. These ensure that our people and communities at large are included and empowered through sustainable economic growth by:

   - Building a quality driven telecommunication infrastructure even in the remotest and conflict hit locations including Kashmir, North-East and the Naxalite areas and thereby connecting the unconnected.

   - Our CSR project beneficiaries are part of our larger family of stakeholders. While implementing programs on ground specific attention to gender equality and reducing inequalities for inclusive growth

   The Company's contribution towards social development through its social responsibility programs and projects have slowly ensured that it enjoys the goodwill of the community that it operates in. Our focuses on multiple social concerns through a number of non-profit organizations, foundations and direct implementation has strengthened our reach and connect with the last mile beneficiary.

   Currently, our CSR pillars are focused towards:

   - Quality Education both formal and informal for children from rural areas
   - Digital literacy for children and adults in rural and urban areas
   - Scholarship program for underprivileged children to pursue higher education.
   - Scholarship program for people with disability to pursue higher education of their choice.
   - Vocational skills training to youth belonging to marginalized communities.
   - Livelihood promotion through sustainable energy
   - Contributing to food, hunger and nutrition needs of children.
   - Education and rehabilitation of abandoned children
   - Support government in disaster relief and rehabilitation initiatives
   - Supporting other need-based initiatives.

   Indus believes it, along with all its employee members as an important participant of the society to be committed to create positive social change through base-level intervention and volunteering. Indus employees through volunteering program actively engage in community service and contribute their time and resources to bring in positive change in community and wherever possible fill in the social gaps.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?**

   Our partnership with our CSR project implementing partner organisations has not only helped in understanding issues in depth but we have also supported them in building their capacity, wherever required. We have been active in promoting social development programmes/projects through these partnerships at national, regional and state level. Our project implementing partners consist of in-house teams, foundations, NGOs government structures.

3. **Have you done any Impact assessment of your initiative?**

   We regularly monitor the program outcomes with support of independent accredited agencies like PricewaterhouseCoopers Pvt. Ltd. and Grant Thornton to ascertain the progress. Few of our NGO partners, on our request, have conducted the impact assessment through external agency and to do impact assessment of ongoing projects the selection of external agency is in process.

4. **What is the Company's Direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   During the year 2020-2021, Indus Towers Ltd. has contributed ₹ 706.40 Mn. towards various social development projects.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.**

   Indus Towers Ltd. has onboarded monitoring and evaluation organization, Grant Thornton and PricewaterhouseCoopers Pvt. Ltd. for periodic monitoring and evaluation of its education and skill development programmes, sustainable energy program, Food and eradication hunger and malnutrition program, rehabilitation of abandoned children program Additionally, periodic monitoring measures, meeting with beneficiaries and on ground need assessment is the basis for implementing our social development projects across different locations. Programs that are proposed to address issues like education and skill development including digital literacy, sustainable energy, livelihood, rehabilitation etc., have ensured involvement/participation of the community members as well. They are involved for better implementation and assessment of the projects in their respective areas. Support from various government departments have also been received for these projects. Our social initiatives look at the holistic benefit of the community at large.

Principle 9

Value for customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints / consumer cases is pending, as on the end of the Financial Year?**

   12 consumer cases are pending- 4 in UPE, 2 each in P&H & MPCG and 1 each in Rajasthan, Mumbai, M&G and Tamil Nadu Circles. Percentage is less than 1% at the end of the Financial Year. Pertinently, none of these are maintainable as the complainants do not fall within the definition of consumers.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

   N.A.

3. **Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as at the end of the Financial Year. If so, provide details thereof, in about 50 words or so.**

   No such case reported as per the records maintained by us.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   Every year in erstwhile/pre-merged entity, we followed CSAT process to seek feedback from customers' and on that basis, we formulated strategies for next year. For the merged entity also, we will continue with the similar approach and with more improved methodology.

Board's Report

Dear Members,

Your Directors are pleased to present the Fifteenth Board's Report on the business and operations of Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company') together with the audited financial statements for the Financial Year ended March 31, 2021.

Company Overview

Indus Towers is a provider of tower and related infrastructure sharing services. Following the amalgamation of erstwhile Indus Towers Limited with and into your Company during the year under review, 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.

Post-merger, the combined strength and highly complementary footprints of both the Companies will enable your Company to offer high quality shared passive infrastructure services needed to support the pan-India expansion of wireless broadband services using 4G/4G+/5G technologies for the benefit of Indian consumers and businesses.

As of March 31, 2021, Indus Towers owned and operated 179,225 towers with 322,438 co-locations in 22 telecommunication circles.

We have entered into Master Service Agreements (MSAs) with our customers. The MSAs are long-term contracts which set out the terms on which access is provided to the Company's towers, with all service providers being offered substantially the same terms and receiving equal treatment at towers where they have installed their active infrastructure. Under the MSAs, Indus Towers enters into service contracts in respect of individual towers. The MSAs and service contracts govern the Company's relationship with its customers, the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. This provides stability to our business and provides visibility with regard to future revenues.

COVID-19

As one of the largest telecom tower companies in India, it is imperative that Indus Towers combats the COVID-19 pandemic by providing minimal disruption to the customers while maintaining and ensuring employee safety and well-being.

Our employees are working overtime to ensure that the vital connectivity is maintained at all times while enforcing social distancing and other safety protocols to contain the spread of the second wave of Corona Virus that we are all facing. 100% of our employees are able to seamlessly work from home and deliver service to all our customers. Our offices all over India have been operating with minimal or no staff. To effectively respond to and manage our operations through this crisis, the Company triggered and has followed its business continuity plan. This response has reinforced customer confidence on Indus Towers, and they have expressed their appreciation for keeping their businesses running under most challenging conditions.

The passive infrastructures as well as active telecom operations of the customers are actively engaged in fulfilling the surge in demand arising out of the evolution of India as a digital market. Technological change and industry disruption seem to be accelerating and digital information networks are linking individuals, organizations, and nations as never before. India continues to witness strong data growth trends with ~30% in Financial Year 21 over the last year.

The Company recovered from an adverse impact of the pandemic in the first quarter of Financial Year 21 to post three consecutive good quarters in terms of delivery of towers and co-locations. The Company shall calibrate its business depending upon the extent of the impact of the pandemic.

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 read with Companies (Accounts) Rules, 2014.

A. Consolidated financial results as per Ind AS[1]

(₹ Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue[2]	139,543	67,430
EBIDTA[2]	72,599	36,176
Profit before Tax	47,569	37,875
Profit after Tax	37,790	32,987

[1]Basis Equity Method

[2]Revenue & EBITDA are excluding other income

B. Standalone financial results as per Ind AS

(₹ Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue[1]	139,508	67,383
EBIDTA[1]	72,586	36,170
Profit before Tax	43,160	24,122
Profit after Tax	33,382	17,466

[1]Revenue & EBITDA are excluding other income

The results for the current financial year include the results of erstwhile Indus Towers Limited which merged with and into the Company w.e.f. November 19, 2020 for the period subsequent to that date till the end of the Financial Year (Refer Note 3 to the Standalone/Consolidated Financial Statements for further details). Accordingly, the figures for the current Financial Year ended March 31, 2021 are not comparable with the figures of the previous Financial Year ending March 31, 2020.

Share Capital

Pursuant to the effectiveness of Scheme of amalgamation, the authorized share capital of the Company has been increased from ₹ 35,000,000,000 divided into 3,500,000,000 equity shares of ₹ 10/- (₹ Ten) each to ₹ 35,500,000,000 divided into 3,550,000,000 equity shares of ₹ 10/- (₹ Ten) each.

During the year under review, the Company had issued 845,328,704 equity shares of face value of ₹ 10/- each pursuant to amalgamation of erstwhile Indus Towers Limited with and into the Company in accordance with the provisions of Companies Act, 2013 (Act) and SEBI Regulations. Consequent to the above, the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2021, is ₹ 26,949,369,500 divided into 2,694,936,950 Equity Shares of ₹ 10/- each fully paid-up.

Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the Financial Year ended March 31, 2021.

Dividend

The Board, on July 27, 2020, had declared the 1st interim dividend of ₹ 2.30/- per equity share of ₹ 10/- each fully paid up (23% of face value) for Financial Year 2020-21 amounting to ₹ 4,254 Mn. On January 28, 2021, the Board declared the 2nd interim dividend of ₹ 17.82/- per equity share of ₹ 10/- each fully paid up (178.2% of face value) for Financial Year 2020-21 amounting to ₹ 48,023 Mn, thereby resulting in a total dividend of ₹ 20.12/- per equity share of ₹ 10/- each fully paid up (201.2% of face value) for the Financial Year 2020-2021 amounting to ₹ 52,277 Mn.

Dividend Distribution Policy

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), top 500 listed companies based on the market capitalization shall formulate a dividend distribution policy. Accordingly, the policy was adopted by the Board of Directors of the Company to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Dividend Distribution Policy is available on the website of the Company at https://www.industowers.com/wp-content/themes/indus/pdf/policy/Dividend-Policy.pdf and is annexed as **Annexure A** to this report.

Credit Rating

Post-merger, CRISIL Limited and ICRA Limited migrated its ratings of erstwhile Indus Towers Limited to the Company. 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 the Act, during the Financial Year 2020-21, the Company has transferred an amount of ₹ 235,542 (Rupees Two Lakh Thirty Five Thousand Five Hundred Forty Two Only) pertaining to final dividend on equity shares for Financial Year 2012-13, lying in "Unpaid Equity Dividend 2013", which remained unpaid/ unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, 840 equity shares of the Company on which the dividend remained unpaid/ unclaimed for a period of seven consecutive years were also transferred to IEPF in accordance with the Act and rules thereunder after giving due notice to the concerned shareholders.

The investors whose shares and dividend amount have been transferred to IEPF may claim their shares and seek refund in accordance with the provisions of law. The details regarding the above along with the process for claiming the unpaid dividend / shares is available on the website of the Company at https://www.industowers.com/investor/shares/.

The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 3, 2020 (date of last Annual General Meeting) on the website of the Company at www.industowers.com.

Nodal Officer

In accordance with the provisions of Rule (2A) of Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Ms. Samridhi Rodhe has been appointed as the Nodal Officer of the Company. The details are available on the Company's website at www.industowers.com.

Fixed Deposits

The Company has not accepted any fixed deposit and as such no amount of principal or interest was outstanding as on the date of balance sheet.

Significant Developments

- **Amalgamation of erstwhile Indus Towers Limited with and into the Company w.e.f. November 19, 2020**

  On April 24, 2018, the Board had approved a Scheme of arrangement and amalgamation between the Company and erstwhile Indus Towers Limited which provided for amalgamation of erstwhile Indus Towers Limited with and into the Company on a going concern basis, subject to all necessary approvals.

  The Scheme had received all regulatory approvals. The Hon'ble National Company Law Tribunal, Chandigarh Bench approved the Scheme vide its order dated May 31, 2019 read with its order dated October 22, 2020. Upon completion of other actions/ conditions precedent for the Scheme to become effective and extension of time allowed by the Hon'ble NCLT, the Scheme became effective on November 19, 2020 upon filing of the certified copy of NCLT order with the Registrar of Companies.

  Upon implementation of the Scheme and allotment of shares, in compliance with the provisions of the Companies Act, 2013 and Listing Regulations, and in accordance with the restated Articles of the Company, Vodafone Group (through its subsidiaries) also became promoter of your Company with 28.12% shareholding. The shareholding of Bharti Airtel Group, existing promoters of the Company was reduced from 53.51% to 36.73%, and consequently, the Company ceased to be a subsidiary of Bharti Airtel Limited. 35.15% Shares were held by public shareholders. Subsequently, Bharti Airtel Group acquired additional ~5% shares in the Company.

  Through detailed planning on integration, your Company ensured nil disruption "day 0" and has been functioning as a unified Company from day 1 towards its customers, employees, and business partners. The processes, policies and system integration are underway. Even in this unprecedented time, your Company is progressing well as per the plan and timeliness to ensure common ways of working for all in the Company.

- **Change in name of the Company**

  The Scheme of arrangement and amalgamation between erstwhile Indus Towers and the Company provided that upon effectiveness of the Scheme, the name of the Company i.e. Bharti Infratel Limited will be changed to "Indus Towers Limited".

  Upon compliance with all statutory provisions, filings and thereafter issuance of certificate of name change by the Registrar of Companies, the name of your Company changed to 'Indus Towers Limited' w.e.f. December 10, 2020.

Directors and Key Managerial Personnel

Induction, Re-appointment and Resignation

During the year, the shareholders have approved the re-appointment of Mr. Devender Singh Rawat as Managing Director & CEO (DIN: 06798626) w.e.f. April 1, 2020 up till the date of last AGM i.e. August 3, 2020. Mr. Rawat resigned from the Board w.e.f. aforesaid date.

Mr. Bimal Dayal (DIN: 08927887) was appointed as Managing Director of the Company w.e.f. October 22, 2020 till the effective date of merger i.e. November 19, 2020.

Upon effectiveness of the merger, the Board of the Company was re-constituted in accordance with the restated Articles of the Company w.e.f. conclusion of the Board meeting held on November 19, 2020.

- Mr. Balesh Sharma (DIN: 07783637), Mr. Gopal Vittal (DIN: 02291778), Mr. Harjeet Singh Kohli (DIN: 07575784), Mr. Randeep Singh Sekhon (DIN: 08306391), Mr. Ravinder Takkar (DIN: 01719511), and Mr. Thomas Reisten (DIN: 06900067) were appointed on the Board as additional directors in the category of Non-Executive Non-Independent directors. Being eligible, it is proposed to appoint them as directors of the Company, liable to retire by rotation, in the ensuing AGM.

- Subject to shareholders approval, Mr. Sharad Bhansali (DIN: 08964527) and Ms. Sonu Bhasin (DIN: 02872234) were appointed as Non-Executive Independent Directors, not liable to retire by rotation, w.e.f. the conclusion of the Board meeting held on November 19, 2020 for a term of 5 (Five) years.

  In the opinion of the Board, they possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity.

- Mr. Akhil Kumar Gupta (DIN: 00028728), Mr. Bharat Sumant Raut (DIN: 00066080), Mr. Bimal Dayal (DIN: 08927887), Mr. Jitender Balakrishnan (DIN: 00028320), Dr. Leena Srivastava (DIN: 00005737), Mr. Rajinder Pal Singh (DIN: 02943155) and Mr. Tao Yih Arthur Lang (DIN: 07798156) resigned from the Board w.e.f. the conclusion of the Board meeting held on November 19, 2020.

- Mr. Narayanan Kumar (DIN: 00007848) was appointed as the initial Chairman of the Board w.e.f. conclusion of the Board meeting held on November 19, 2020.

Mr. Bimal Dayal (DIN: 08927887) was appointed as Chief Executive Officer of the Company w.e.f. November 19, 2020 and the Board had recommended to the shareholders, his appointment as Managing Director & CEO of the Company for a period of 5 years commencing from the date of approval of the shareholders. The Shareholders of the Company approved his appointment as Managing Director & CEO on January 8, 2021 through postal ballot.

Pursuant to the provisions of the Companies Act, 2013, Mr. Rajan Bharti Mittal (DIN: 00028016), Non-Executive Non-Independent Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment as Director at the ensuing AGM.

Ms. Pooja Jain was appointed as Chief Financial Officer w.e.f. June 4, 2020. Upon effectiveness of merger, she has resigned w.e.f. the close of business hours on November 30, 2020. Mr. Manish Dawar was appointed as Chief Financial Officer of the Company w.e.f. December 1, 2020, however, he could not join due to unavoidable reasons. Mr. Vikas Poddar was appointed as Chief Financial Officer of the Company w.e.f. January 12, 2021.

The Board placed on record its sincere appreciation for the guidance and contribution made by the outgoing directors during their tenure on the Board. The Board acknowledged the phenomenal contribution made by Mr. Akhil Gupta, Chairman towards the growth of the Company since inception. The Board also appreciated the contribution made by Ms. Pooja Jain during her tenure.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Policy on Nomination, Remuneration and Board Diversity

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Board has adopted a Policy on Nomination, Remuneration and Board Diversity, which sets out the criteria for determining qualifications, positive attributes and independence of a director. The detailed policy is available on the website of the Company at https://www.industowers.com/wp-content/themes/indus/pdf/Policy-on-Nomination-Remuneration-and-Board-Diversity.pdf and is annexed as **Annexure B** to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining. A note on the familiarisation programme is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

The HR, Nomination and Remuneration Committee, has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors including the Independent Directors, Chairman and MD & CEO. Customized questionnaires were circulated, responses were analysed, and the results were subsequently discussed by the Board. Recommendations arising from the Evaluation process were duly considered by the Board to further augment its effectiveness. The Board further noted that the Board and the Committees have been reconstituted recently. 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 2020-21, the Board of Directors met 10 times i.e. on April 23, 2020; June 3, 2020; June 24, 2020; July 27, 2020; August 31, 2020; October 22, 2020; November 19, 2020; November 20, 2020; January 12, 2021 and January 28, 2021. 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 2020-21 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, 2021, the Board has 4 Committees, namely, Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The Committee of Directors (COD) was dissolved w.e.f. November 19, 2020. The details with respect to the composition, powers, roles, terms of reference, number of meetings held etc. of the Committees during the Financial Year 2020-21 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, 2021, the Company has a wholly owned subsidiary named Smartx Services Limited. The joint venture company i.e. erstwhile Indus Towers Limited had merged with the Company w.e.f. November 19, 2020 thereby resulting in dissolution of erstwhile Indus Towers Limited without any winding up proceeding.

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 C** to this report. The statement also provides the details of performance and financial position of the subsidiary company.

Audited financial statements of Smartx Services Limited for the Financial Year 2020-21 have been placed on the website of the Company at www.industowers.com. The audited financial statements of the subsidiary company is available for inspection at the Company's registered office and registered office of the subsidiary company. Shareholders interested in obtaining a copy of the audited financial statements of subsidiary company may write to the Company Secretary at the Company's registered office.

The Company does not have any joint venture company or an associate company as on March 31, 2021.

Human Resources

At Indus Towers, we believe that our people are key to the success of our business. While we boast of having telecom industry's best talent in the Company, our aim is to sustain our fervor as an employer of choice for prospective employees and provide an enriching career to them. We enabled the nation to remain connected even amidst adversities and the challenges posed by the recent COVID-19 pandemic. It is the commitment and dedication of our employees that help us to address challenges and remain motivated to overcome every obstacle on our way. Our human capital has, therefore, played a pivotal role in shaping Indus Towers into what we are today.

Indus Towers has been named as one of The Gallup's Exceptional Workplace. This is a testament to our vision of transforming lives by enabling communication. Indus Towers has led the way and demonstrated how putting people front and center of their organizational initiatives can lead to achieving higher levels of business performance. For a young organization like Indus Towers, which operates in the B2B space, defining and percolating an organization wide culture and becoming an employer of choice are two important and interrelated aspects. During our journey, we have realized that the first step in creating an employer brand is to define and articulate the culture which proves to be a differentiating factor for external and internal employees.

Connecting and engaging with nearly 3,442 employees spread across our 22 circles has become possible through our constant communication especially in the third quarter. Communication on changes within the organization on account of merger to revised employee-related policies, from wellbeing initiatives to quizzes and workshops, it 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 use it to our advantage to make processes simpler and more efficient. Our shift to the acclaimed Oracle Recruiting cloud has enabled us to digitize the recruitment process completely.

Demographic and technological shifts have made it even more important for people to remain 'fit for the future', both as professionals and as individuals. We constantly organize various learning and development initiatives for our employees. Due to the pandemic, adapting to new methods of working emerged as the need of the hour. During the year under review, we migrated from classroom learning to a technology driven approach, through a virtual platform - Oracle Learning Cloud (OLC). We continued partnership with Lynda - LinkedIn Learning last year. Through such digital learning platform, employees are able to access world class content on the go. During the year under review, we introduced various new courses such as Mod 0 in 8 regional languages, 25 Ready Behavioural Courses and more than 15 Technical Webinars, creating a repository of more than 100 online modules of Behavioural and Functional/ Technical training. To ensure employee safety at workplace, every new employee is required to undergo mandatory safety training and existing employees have to undergo annual refresher training. 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 Towers, employee well-being and safety have always been a priority. In order to ease anxiety and offer support during the pandemic, we planned various initiatives to ensure the safety of our employees and their family members. A cross functional leadership team (CSC- COVID-19 Steering Committee) was formed and spearheaded by the MD & CEO. Additional health insurance for COVID-19 was offered to employees and the Company continuously monitored and tracked COVID-19 cases on a daily basis to provide adequate support of the Company. PPE kits were provided and travel passes were arranged for field employees to ease their movement and ensure their safety.

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 talent not only for office-based roles but also in the field. Despite being an engineering and hardcore technical organization, where availability of diverse talent is limited, share of women in our total employee population is 6.4% and we are determined to improve this year on year. With focused efforts on hiring viz. minimum 30% of all CVs shared for a role to be women candidates, extra mark up to search partners for closing a position with diversity candidates and special building a pipeline through internal referrals, we are sure to improve our overall diversity number in the years to come.

Continuing our efforts to ensure a conducive and safe environment for women employees, we have a mandatory training on POSH added to our online learning module, which needs to be completed by all employees within a month of joining. We also have a neutral Internal Complaints Committee which investigates and takes appropriate action on any concerns related to harassment raised by employees. Apart from this, many engagement initiatives are planned and calendarized for D&I. This year, our MD & CEO Mr. Bimal Dayal, launched the I-WIN network on Women's day, which is a Pan Indus women's network focused on networking, learning and growing. This was followed by a week-long celebration of Embracing Diversity, focused at holistic well-being of our employees. The week included virtual sessions on physical, legal and financial well-being of women, self-defense, contests and quizzes and an open house with leadership.

Employees Stock Option Plan

To retain, promote and motivate the best talent in the Company and to develop a sense of ownership among employees, the Company has instituted two ESOP schemes i.e. Employee Stock Option Scheme 2008 (ESOP Scheme 2008) and Employee Stock Option Scheme 2014 (ESOP Scheme 2014) with the approval of shareholders. The said schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulation, 2014, (ESOP Regulations). The HR, Nomination and Remuneration Committee monitors the Company's ESOP schemes. The Company will continue with the existing Scheme post effectiveness of merger.

In accordance with the ESOP Regulations, the Company had set up Indus Towers Employees' Welfare Trust (formerly Bharti Infratel Employees' Welfare Trust) (ESOP Trust) for the purpose of implementation of ESOP Schemes. Consequent to the change in name of the Company, the name of the Trust was changed to Indus Towers Employees' Welfare Trust. Both the ESOP schemes are administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme. In terms of ESOP Regulations, neither the ESOP Trust nor any of its trustees shall exercise voting rights in respect of the shares of the Company held by the ESOP Trust.

During the Financial Year 2020-21, Company has granted 490,785 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 M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, with respect to ESOP Scheme 2008 and ESOP Scheme 2014 would be placed before the shareholders at the ensuing AGM and a copy of the same will also be available for inspection at the registered office of the Company.

Auditors and Auditors' Report

Statutory Auditors & their Report

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W-W100018) ('Deloitte') were appointed as the Statutory Auditors of the Company by the shareholders in the 11th AGM of the Company held on July 22, 2017, for a period of five years i.e. up to 16th AGM of the Company.

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, 2021 which is self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

Further, no fraud has been reported by the Statutory Auditors in terms of Section 143(12) of the Companies Act, 2013 during the year.

Secretarial Auditors & their Report

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the Financial Year ended March 31, 2021. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for the Financial Year 2020-21 is annexed as **Annexure D** to this report.

The Board has re-appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for the Financial Year 2021-22.

Internal Auditor and Internal Assurance Partner

The Company has in place a robust Internal Audit team which is headed by the Internal Auditor and ably supported by reputed independent firms.

Up till the effectiveness of merger, Mr. Sudeep Chopra was the Internal Auditor of the Company and M/s. Ernst & Young LLP were the Internal Assurance Partners to conduct the internal audit. Upon effectiveness of merger, Mr. Sarabhjit Singh was appointed as the Internal Auditor of the Company and PricewaterhouseCoopers Private Limited (PwC) and ANB Solutions Private Limited (ANB) were engaged as the Internal Assurance Partners for the remainder term of the year.

The audit conducted by the Chief Internal Auditor and Internal Assurance Partners is based on an internal audit plan, which is reviewed each year in consultation with the Audit & Risk Management Committee. As per the report of Internal Auditor, the policies, processes, and internal controls in the Company are generally adhered to, while conducting the business.

The Board, on the recommendation of the Audit & Risk Management Committee, has re-appointed PwC and ANB as the Internal Assurance Partners for the Financial Year 2021-22.

Corporate Social Responsibility (CSR)

The CSR vision of Indus Towers aims at taking active role and responsibility in transforming the lives of communities through long-term value creation for all stakeholders by improving their socio-economic status. Indus believes in sustainable development and growing business in a socially and environmentally responsible way. As an important participant of the society, Indus along with all its employees believe to be committed to create positive social change through base-level intervention and volunteering. Being an industry leader, Indus believes that this position brings great responsibility and commitment towards society.

Over the years, we have undertaken various CSR initiatives linked to sustainable development goals to bring the bottom-up community transformation and their overall structural change. Currently, our CSR focus areas include:

- Quality Education both formal and informal for children from rural areas
- Digital literacy for children and adults in rural and urban areas
- Scholarship program for underprivileged children to pursue higher education.
- Scholarship program for people with disability to pursue higher education of their choice.
- Vocational skills training to youth belonging to marginalized communities.
- Livelihood promotion through sustainable energy.
- Contributing to food, hunger and nutrition needs of children.
- Education and rehabilitation of abandoned children.
- Support government in disaster relief and rehabilitation initiatives.
- Supporting other need-based initiatives.

In addition to the above, Indus employees through volunteering program actively engage in community service and contribute their time and resources to bring in positive change in community and wherever possible fill in the social gaps.

Our CSR project beneficiaries are part of our larger family of stakeholders. Drawing from the vision and mission statement of the Company through CSR, Indus proactively engages with the society and have made positive changes to their lives which are very encouraging and successful to the core. The initiatives in education, rural development, institutional strengthening, skill development and sanitation forms the sizeable share of Indus's community outreach programmes.

Our work towards social development through CSR encompasses much more than just social outreach programmes. We also maintain and align our business processes and goals to make it more prosperous, equitable and self-sufficient.

In accordance with the requirements of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has constituted CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Integrated Report. The Company has also formulated a Corporate Social Responsibility Policy, to ensure that the CSR programs of the Company reflect its vision and values and is aligned with the applicable regulatory requirements. The details of the Composition of CSR Committee, CSR projects and programmes and the CSR Policy of the Company is available on the website of the Company at https://www.industowers.com/wp-content/themes/indus/pdf/CSR-Policy.pdf .

During the year, the Company has spent ₹ 706.40 Mn (2.11% of the net profit) on the CSR activities. As a socially responsible organisation, we harmonize our short-term and long-term goals to consistently strive to serve society in a holistic manner to create a larger social impact. The Company is fully committed to the government's vision of corporate social responsibility towards the society and is taking all the efforts for India's sustainable development by embedding wider economic, social and environmental objectives.

A detailed update on the CSR initiatives of the Company is provided in the social capital section, which forms part of this Integrated Report. The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as **Annexure E** to this Report.

Integrated Reporting

SEBI vide circular dated February 6, 2017 has recommended voluntary adoption of Integrated Reporting by the top 500 listed companies in India. In line with its philosophy of being a highly transparent and responsible company and considering IR as a journey, the Company adopts 'Integrated Report' in accordance with the International Integrated Reporting Council (IIRC) framework. The Integrated Report covers capital approach of IIRC Framework as well as the value that the Company creates for its stakeholders.

Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of this Integrated Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, forming part of this Integrated Report.

Corporate Governance

The Company is committed to benchmark itself with global standards for providing good corporate governance. The Board constantly endeavors to take the business forward in such a way that it maximizes long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of Listing Regulations are duly complied with.

A detailed report on the corporate governance pursuant to the requirements of the Listing Regulations forms part of this Integrated Report.

A certificate from the auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated in Listing Regulations is annexed as **Annexure F** to this report.

Risk Management

Risk management is embedded in Indus Towers' operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the Company and prioritize relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit & Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The Policy lays down broad guidelines for timely identification, assessment and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The Internal Audit function assists the Audit & Risk Management Committee on an independent basis with a review of the risk assessment and associated management action plans.

Operationally, risk is being managed at the top level by Management Committee, chaired by the Managing Director & Chief Executive Officer

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Integrated Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Internal Financial Control 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's 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 2020-21. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion & Analysis section.

Code of Conduct/ Vigil Mechanism

The Code of Conduct and vigil mechanism of the Company is available on the website of the Company at www.industowers.com.

A brief note on the highlights of the Ombudsman Policy/ Whistleblower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance which forms part of this Integrated Report.

Quality Control

We, at Indus Towers, believe that Quality Control acts as an important differentiator and driving force behind customer delight through achievement of high uptime and decreasing energy cost across our footprint.

We continue to fine tune our Quality strategies in line with our aim of ensuring First Time Right and site safety. The multi-pronged strategies have been refined in line with changing field scenarios. We continue to undertake pre-dispatch inspection of all major and minor material. The stage inspection of on-site work is undertaken by quality engineers for 100% of all new build sites and upgrades. Quality Audits by independent agencies on a regular basis ensures additional controls. Preventive maintenance Audits, Process and Design improvement and Control ensure standardization and quality of workmanship. As a regular practice, we have been aggressively carrying out tower maintenance.

We have continued major projects such as Tower maintenance, Foundation strengthening, creation of As-built site drawings and integration of site data on a central platform "One View". Our efforts are always towards zero fire exercise; for ensuring the same, we have enabled teams with thermal scanners and have been carrying out regular audits of each site to ensure site quality control measures are in place. As a unique exercise, we have been imparting product and process trainings to vendor/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.

The referred activities have transformed the output and resulted in one of the highest qualities KPI achievement during the past year.

With constant endeavor towards timely pre-dispatch inspection (PDI), Site quality inspections and site corrections, we were able to roll out highest ever new nominals.

Our assistance towards asset re-use post refurbishment and inspection towards improving Asset utilization, Conversion of in-door sites to outdoor for energy costs reduction, electrification of un-electrified sites and energy metering validations continued unbated. This has helped us in our continuous strive towards higher utilization and lower costs, lower energy consumption, lower network outages and improved P&L for operators and us.

Other Statutory Disclosures

Related Party Transactions

A detailed note on procedure adopted by the Company in dealing with contracts and arrangements with Related Parties is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

All arrangements / transactions entered by the Company with its Related Parties during the year were in ordinary course of business and on an arm's length basis. Particulars of material transactions with related parties, under the provisions of the Companies Act, 2013, are given in form AOC- 2 as **Annexure G** to this report.

Names of Related Parties and details of transactions with them under Ind AS - 24 have been included in Note no. 41 of the standalone financial statements for the Financial Year ended March 31, 2021 on page 331.

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/Policy-on-Related-Party Transactions.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 other than the orders passed by Hon'ble Tribunal, disclosed in the significant developments section of this report.

Material changes and commitments affecting financial position between the end of Financial Year and date of the report

There are no material changes and commitments affecting the financial position of the Company between the end of Financial Year and date of the report.

Particulars of loans, guarantees or investments

The details of loans given, investments made or guarantees given are provided in Note no. 6, 7, 8 and 14 of the Standalone financial statements for the year ended March 31, 2021.

Commercial Papers

During the year, the Company has raised funds through issuance of Commercial Papers in various tranches. As on the date of this report, the Company has outstanding Commercial Papers amounting to ₹ 17,700 Mn listed on National Stock Exchange of India Ltd.

Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure H** to this report.

Particulars of employee 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 said information is available for inspection by the members at the registered office of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars, may write to the Company Secretary at the registered office of the Company.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure I** to this report.

Disclosure under Section 197(14) of Companies Act, 2013

Following the merger of erstwhile Indus Towers Limited with and into the Company, w.e.f. November 19, 2020 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, 2021, 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.

Sexual Harassment of Women at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. Details of the same including the details of the complaints received is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company 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, 2021, 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, 2021 and of the profit of the Company for the year ended on that date;

III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Directors had prepared the annual accounts on a going concern basis;

V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgements

The Directors wish to place on record their appreciation for the assistance and co-operation extended by customers, strategic investors, bankers, vendors, business partners, various agencies and departments of Government of India and State governments where Company's operations are existing and look forward to their continued support in the future.

The Directors would also like to place on record their sincere appreciation for the valuable contribution, unstinted efforts and the spirit of dedication shown by the employees of the Company at all levels.

For and on behalf of the Board of Directors of Indus Towers Limited (formerly Bharti Infratel Limited)

	N Kumar	**Bimal Dayal**
Date: April 22, 2021	Chairman	Managing Director & CEO
Place: Gurugram	DIN: 00007848	DIN: 08927887

Annexure A

Dividend Distribution Policy

(Pursuant to Regulation 43A of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations,

1. Preamble, Objective and Scope

This Dividend Distribution Policy ('Policy') reflects the intent of the Company to reward its shareholders, and the Company is committed to deliver sustainable value to all its stakeholders.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the top five hundred listed entities based on market capitalization (calculated as on March 31 of every Financial Year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

To comply with the above requirement and with an endeavor to maintain fairness, sustainability and consistent approach to dividend pay-out plans, the Board of Directors of the Company adopts this Policy

The objective of this Policy is to:

(i) specify the parameters (including financial parameters and internal and external factors) that shall be considered while declaring the dividend;

(ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend;

(iii) provide for the manner of utilization of retained earnings; and

(iv) parameters that shall be adopted with regard to various classes of shares.

2. Dividend Philosophy

Subject to (a) the working capital requirements of the Company and its subsidiaries, (b) the terms of the then existing debt facilities of the Company and its subsidiaries; (c) the Target Leverage Ratio not being breached immediately following such distribution (determined on a pro forma basis by reference to the most recent management accounts for the Company) and (d) applicable law (including the directors' fiduciary duties and any requirement limiting the payment of dividends to profits or other reserves available for distribution), the Company shall, in respect of each completed Financial Year, distribute to the holders of Equity Securities, in accordance with their entitlements, an amount equal to 100% of:

i) the excess cash of the Company and its subsidiaries as at the end of such Financial Year as determined by the Board by majority resolution; or

ii) if the Board has not passed a resolution to distribute the excess cash of the Company and its subsidiaries in accordance with (i) above, then the Free Cash Flow of the Company for such Financial Year,

plus any amounts in respect of any previous Financial Year(s) that would, but for any of the restrictions referred to in (a) to (d) of this clause 2, have been so distributed but which have not been so distributed and can then be distributed. Subject to the matters referred to in (a) to (d) of this clause 2, the Company has agreed that it shall make a distribution to the shareholders in accordance with the articles of association of the Company at least once in each Financial Year and shall also be entitled to make interim distributions.

3. Parameters/Factors considered by the Company while declaring dividend

The Company shall use all reasonable endeavours to ensure that it is able to declare and pay the distributions payable by the Company pursuant to clause 2 of this Policy by procuring, so far as it is legally able to do so, the upstreaming of cash from its subsidiaries and by ensuring that the Company has sufficient distributable reserves to declare and pay such dividends and other distributions. In particular, the Company shall take such actions as the Board considers appropriate to increase the amount of distributable reserves where there might otherwise be a dividend (or distribution) shortfall amount, including by carrying out a reduction of capital of the Company or of a subsidiary.

The Company shall instruct its auditors (at the expense of the Company) to report on the distributable reserves position of the Company at the same time as they sign their report on the Audited Accounts.

Subject to clause 2 above, the Board of Directors shall consider the following parameters before declaring or recommending dividend to shareholders, including but not limited to the following:

A) Financial Parameters of the Company / Internal Factors:

(a) Financial performance, including profits earned, available distributable reserves etc.;

(b) Leverage profile;

(c) Working capital requirements;

(d) Debt repayment schedules and agreements with lending institutions;

(e) Past dividend trend, including interim dividend paid, if any; and

(f) Any other factor as deemed fit by the Board.

B) External Factors:

(a) Macroeconomic conditions – e.g., the state of the national and international economy and any changes in the competitive environment;

(b) Statutory requirements – e.g., the Act, the Listing Regulations, taxation laws, etc.;

(c) Technological changes necessitating significant new investments; and

(d) Capital market conditions.

4. Circumstances under which the shareholders of the Company may not expect dividend

Subject to clause 2 of this Policy, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

(a) The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities;

(b) The Company is in higher need of funds for acquisition / diversification / expansion / investment opportunities / deleveraging or capital expenditures; or

(c) The Company has incurred losses or is in the stage of inadequacy of profits.

5. Utilization of retained earnings

Subject to clause 2 of this Policy, the profits retained by the Company (i.e. retained earnings) may either be used for business purposes/ objects mentioned in its Memorandum of Association in accordance with the Articles of Association or shall be distributed to the shareholders.

6. Parameters with regard to various classes

It may be noted that currently the Company has only one class of shares, namely, equity shares. If the Company issues other kinds of shares, the Board may suitably amend this Policy.

7. Disclosure by the Company

The Policy will be published on the website of the Company at www.industowers.com and in the Annual Report of the Company.

8. General Limitations

In the event of any conflict between this Policy and any regulatory provision(s), such regulatory provision(s) shall prevail over this Policy.

9. Review of Policy and Amendments

This Policy will be reviewed and updated from time to time, as may be required in accordance with the articles of association of the Company. Subject to the foregoing, the Chief Financial Officer along with Company Secretary and Chief Investor Relation Officer shall be jointly authorized to amend the Policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@industowers.com.

10. Definitions

a) "**Accounting Standards**" means Ind AS, together with any pronouncements issued under applicable law thereon from time to time and shall be deemed to include any accounting principles adopted and/or promulgated in place of and in lieu of Ind AS or any other accounting principles that may be prescribed under applicable law from time to time.

b) "**Act**" shall mean the Companies Act, 2013 including the rules made thereunder, as amended from time to time.

c) "**Audited Accounts**" means the consolidated report and audited accounts of the Company and its Subsidiaries for any Financial Year.

d) "**Board" or "Board of Directors**" means the board of directors of the Company.

e) "**Company**" shall mean Indus Towers Limited (formerly known as Bharti Infratel Limited).

f) "**Dividend**" includes any interim dividend.

g) "**EBITDA**" means, for the purpose of the definition of "Free Cash Flow" only, the consolidated profit before tax of the Company as per the Financial Statements for that relevant period after adding back: (i) any amount attributable to amortisation of intangible assets and goodwill, and depreciation of tangible assets; (ii) Finance Charges; (iii) items treated as exceptional; (iv) Integration Costs; and (v) certain costs in connection with the merger of the Company and erstwhile Indus Towers Limited, which the promoters of the Company have agreed to share in equal proportions, in each case, to the extent added, deducted or taken into account, as the case may be, in determining the consolidated profit before tax of the Company as per the relevant Financial Statements.

h) "**Equity Securities**" means any equity shares and includes any options or warrants over, or rights to subscribe for, equity shares or any other securities (including preference shares and debentures) convertible into or exercisable or exchangeable for equity shares.

i) "**Finance Charges**" means, for any relevant period, the aggregate amount of interest, commission, fees, discounts, prepayment penalties or premiums, Forex Losses or Gains (if net losses) and other finance payments in respect of Financial Indebtedness whether accrued, paid or payable in respect of that relevant period, net of any treasury income (representing income from investing surplus cash in securities as per the treasury policy of the Company), or interest or similar income and Forex Losses or Gains (if net gains) whether accrued, received or receivable, and:

(i) including the interest element of leasing and hire purchase payments;

(ii) including the mark-to-market gains or losses, whether realised or unrealised, on foreign exchange rate and interest rate derivative financial instruments; and

(iii) including any amounts in the nature of interest payable in respect of any shares other than ordinary equity share capital.

j) "**Financial Indebtedness**" means any borrowings or indebtedness for or in respect of:

(i) moneys borrowed;

(ii) accrued interest payable;

(iii) any interest bearing amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;

(iv) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(v) the amount of any liability in respect of any finance lease;

(vi) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(vii) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing under the Accounting Standards;

(viii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and

(ix) shares which are expressed to be redeemable or shares or instruments convertible into shares (other than compulsorily convertible instruments),

provided in each case that there shall be no double-counting of any indebtedness.

k) "**Financial Statements**" means in relation to the Company the consolidated quarterly financial statements of the Company and its subsidiaries prepared in accordance with the Accounting Standards.

l) "**Financial Year**" means the Company's fiscal year beginning on 1 April of each calendar year and ending on 31 March of the immediately succeeding calendar year, or such other period as the Board or the shareholders of the

Company, as the case may be, determine in accordance with applicable law.

m) "**Forex Losses or Gains**" means the net foreign exchange gains or losses with respect to Financial Indebtedness denominated in a currency other than INR.

n) "**Free Cash Flow**" means in respect of any accounting period, EBITDA less net interest and other net financial expenses, less tax payments, less net change in working capital, less net tangible capital expenditure, less net intangible capital expenditure, plus net proceeds from asset sales but, for the avoidance of doubt, before net proceeds from borrowings, in all cases as determined in accordance with the accounting policies of the Company and by reference to the Financial Statements.

o) "**Indus Financial Statements**" means the consolidated financial statements of erstwhile Indus Towers Limited and its subsidiaries prepared for group reporting purposes in accordance with the Accounting Standards.

p) "**Integration Costs**" means costs incurred on or after the effective date in connection with the merger of the Company and erstwhile Indus Towers Limited as contemplated in the Implementation Agreement, which would not have been incurred otherwise.

q) "**Leverage Ratio**" means, at any time, the ratio of Net Debt to LTM EBITDA, each of which shall have been determined with reference to the same time.

r) "**LTM EBITDA**" means, at any time, the Company's earnings before interest, taxation, depreciation and amortisation ("**ebitda**") (as determined in accordance with the accounting policies and definitions of the Company and by reference to the Financial Statements) for the twelve (12) months up to the end of the most recent calendar quarter ended 31 March, 30 June, 30 September or 31 December. Where LTM EBITDA must be determined for periods prior to 19 November 2020, it shall be determined on the basis of the Financial Statements and the Indus Financial Statements (with ebitda for erstwhile Indus Towers Limited recalculated, if necessary, on a basis consistent with ebitda as defined and reported by the Company in the Financial Statements) and aggregated.

s) "**Net Debt**" means, at any time and on a consolidated basis, the aggregate amount of all obligations of the Company for or in respect of Financial Indebtedness at that time but:

(i) deducting the aggregate amount of cash and cash equivalent investments held by the Company at that time; and

(ii) deducting the aggregate amount of interest receivable by the Company at that time, and so that no amount shall be included or excluded more than once.

t) "**Policy"** means this Dividend Distribution Policy.

u) "**Target Leverage Ratio**" means a Leverage Ratio that does not exceed 3:1, unless otherwise approved.

11. Interpretation

The words and expressions used in this Policy unless defined herein shall have the meaning assigned to them respectively in the Act, Listing Regulations and such other act, laws, rules or regulations along with any statutory modification(s) or re-enactment(s) thereof, as the case may be.

If due to any reason, any provision(s)/ clause(s) of this Policy is rendered unlawful or unenforceable, then the Policy shall be read as excluding that provision(s)/ clause(s).

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

Annexure B

Policy on Nomination, Remuneration and Board Diversity

Pursuant to Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Preamble, Objective and Scope

The Board of Directors, on the recommendation of HR, Nomination and Remuneration Committee, has approved and adopted this Policy on Nomination, Remuneration and Board Diversity (the "Policy"), in compliance with the provisions of Section 178 of the Companies Act, 2013, the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time ("**Listing Regulations**").

The 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.

Objectives

The main objectives of this Policy are:

- To lay down criteria and 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;
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company;
- To determine remuneration of directors, Key Managerial Personnel and other senior management personnel keeping in view all the relevant factors including industry trends and practices;
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Company's targets.

2. Definitions

"**Act**" shall mean the Companies Act, 2013 including the rules made thereunder, as amended from time to time.

"**Board" or "Board of Directors**" means Board of Directors of the Company.

"**Committee**" means the HR, Nomination and Remuneration Committee of the Company constituted by the Board of Directors of the Company in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

"**Company**" means Indus Towers Limited (formerly Bharti Infratel Limited).

"**Independent Director**" means an Independent Director as per the provisions of Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations.

"**Key Managerial Personnel**" or "**KMP**" of the Company means the Chief Executive Officer or Managing Director or Manager, Company Secretary, Whole-time Director, Chief Financial Officer and such other officer, not more than one level below the directors, who is in whole-time employment of the Company and designated as Key Managerial Personnel by the Board and any other officer as prescribed under the Act.

"**Senior Management**", for the purpose of this Policy, means officers/ personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the management one level below the chief executive officer/managing director/whole time director/ manager (including chief executive officer/ manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

3. Interpretation

The words and expressions used in this Policy unless defined herein shall have the meaning assigned to them in the Act, Listing Regulations and such other act, laws, rules or regulations along with any statutory modification(s) or re-enactment(s) thereof, as the case may be.

If due to any reason, any provisions(s)/ clause(s) of this Policy is rendered unlawful or unenforceable, then the Policy shall be read as excluding that provision(s)/ clause(s).

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

4. Constitution of HR, Nomination and Remuneration Committee

The Board has constituted the "HR, Nomination and Remuneration Committee" of the Board in line with the requirements of the Act and Listing Regulations. This Policy and the Committee's charter are integral to the functioning of the Committee and are to be read together.

5. Attributes, qualifications and diversity

A) Directors and Key Managerial Personnel

The Committee shall be responsible for identifying suitable candidates for appointment as directors or as KMPs of the Company.

The Board shall consist of such number of directors as is necessary to effectively manage the company of the size and nature as of Indus Towers Limited, keeping in view the Articles of Association of the Company, subject to a minimum of 12, including women directors. The Board shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty per cent of the Board shall comprise of non-executive directors. The roles of the Chairman and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

While evaluating a person for appointment/ re-appointment as director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience and functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the **proposed director** satisfies the following additional criteria at the time of appointment/ re-appointment:

- Eligible for appointment as a director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Act and the Listing Regulations.
- Has attained minimum age of 25 years and is not older than 75 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India. Also, he/ she shall not hold directorship in more than such number of listed companies as may be prescribed in the Listing Regulations. For the purpose of the above, the count for the number of listed entities on which a person is a director shall be only those whose equity shares are listed on a stock exchange.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an **Independent Director**, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149(6) of the Act, Regulation 16(1)(b) of the Listing Regulations and other applicable laws.
- Should not hold the position of Independent Director in more than the permitted number of listed companies as may be prescribed in the Listing Regulations.

  For the purpose of the above, the count for the number of listed entities on which a person is an independent director shall be only those whose equity shares are listed on a stock exchange.
- Should not hold any board/ employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances, waive this requirement.

  The re-appointment/ extension of term of any member of the Board shall be on the basis of their performance evaluation report.

B) Senior Management

While evaluating a person for appointment/ re-appointment in a senior management position, the management shall consider various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

6. Key Skills

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Strategic Planning and Leadership skills	• Ability to think strategically and to identify and critically assess opportunities and threats and develop effective strategies in the context of objectives of the Company's relevant policies and priorities. • Appreciation of long-term trends, understanding diverse business environment, regulatory framework, economic and political conditions, strategic choices and experience in guiding and leading management teams.
Financial and Risk Management	• Wide ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control. • Identification of key risks to the Company and monitoring the effectiveness of risk management framework and practices.
Technology and digital expertise	A background in technology, resulting in knowledge of anticipating technological trends, generating disruptive innovation and extending or creating new business models.
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining Board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values.
Industry and sector experience or knowledge	Knowledge and experience in telecom sector to provide strategic guidance to the management.
HR, Health, safety, environment and sustainability	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.

7. Removal of Directors, KMP or Senior Management

Subject to the provisions of the Articles of Association of the Company:

(i) The removal of any director can be recommended by the Committee to the Board and shall finally be approved by the shareholders basis recommendation of the Board.

(ii) The removal of KMP and Senior Management shall be approved by the Board based on the recommendation of the Committee and Chairman/ Managing Director of the Company.

8. Remuneration Policy

A) Board Members

The overall limits of remuneration of the Board members are governed by the provisions of Section 197 of the Act and Listing Regulations and shall be approved by the shareholders of the Company and shall be subject to the availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration including the sitting fees payable for attending the meetings of the Board and Committees. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.

B) Non-Executive Directors including Independent Directors

Profit linked Commission

Pursuant to the provisions of Section 197 of the Act and the shareholders' approval, the Board has approved the following remuneration:

(i) Independent Directors: Profit linked commission of ₹ 2,500,000/- per annum.

(ii) Chairman of Board - Additional profit linked commission of ₹ 1,000,000/- per annum.

(iii) Chairman of Audit & Risk Management Committee - Additional profit linked commission of ₹ 500,000/- per annum.

(iv) Chairman of HR, Nomination and Remuneration Committee - Additional profit linked commission of ₹ 250,000/- per annum.

(v) Chairman of Corporate Social Responsibility Committee - Additional profit linked commission of ₹ 250,000/- per annum.

The commission is payable annually after approval of the financial results for the year or as may be decided by the Board from time to time. The payment of commission is pro-rated to the number of meetings attended by the directors in which the quarterly results are considered and approved.

The Board may, from time to time, decide to pay Special/ Additional/ Ad-hoc commission to non-executive directors of the Company.

Sitting fees

In addition to the profit linked commission, the Independent Directors may also be paid sitting fees, as determined by the Board from time to time, up to ₹ 100,000 for attending the meetings in which quarterly results are considered and approved, in accordance with the provisions of the Act.

Reimbursement of travelling, local conveyance and other expenses

All independent directors would be entitled to reimbursement of following expenses:

(i) Return air fare by business class - from the usual place of residence to venue of the meeting via shortest possible route.

(ii) If the journey is being undertaken from some other destination, an amount equivalent to above will be reimbursed.

(iii) Hotel stay – Boarding and lodging for meeting day(s) plus one day for those directors who may be required to arrive or depart one day ahead or one day later due to flight schedule.

(iv) Local transportation shall be either provided by the Company or shall be reimbursed on actual basis.

All legitimate expenses which are incidental/ ancillary to effectively perform the duty as an independent director of the Company and which the concerned director would not have incurred had he not been the director of the Company e.g. courier charges, telephone expenses etc shall be reimbursed.

C) Remuneration to Key Managerial Personnel and Senior Management

The remuneration payable to Key Managerial Personnel and Senior Management, in whatever form, shall be recommended to the Board by the Committee.

The remuneration payable to Key Managerial Personnel and Senior Management shall consist of (a) Fixed Pay, which is payable monthly and includes basic pay, contribution to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company's performance (c) Long term incentive / ESOPs, as may be decided by the Committee from time to time.

9. Disclosures by the Company

This Policy shall be disclosed on the website of the Company at www.industowers.com and in the Company's annual report.

10. General Limitations

In the event of any conflict between this Policy and any regulatory provision(s), such regulatory provision(s) shall prevail over this Policy.

11. Review of Policy and Amendment

This Policy will be reviewed and updated from time to time, as may be required. The Chief Financial Officer along with Company Secretary and the Chief Human Resource officer are jointly authorized to amend the Policy to give effect to any changes/ amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be placed before the Board for noting and ratification in the next meeting held after such changes/amendments are effected. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@industowers.com .

Annexure C

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5
of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

1.	Sl. No.	1 (One)
2.	Name of the subsidiary	Smartx Services Limited
3.	The date since when subsidiary was acquired	September 21, 2015
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2020 to March 31, 2021
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share capital	₹ 150 Mn
7.	Reserve & Surplus	₹ (150) Mn
8.	Total assets	₹ 413 Mn
9.	Total Liabilities	₹ 413 Mn
10.	Investments	Nil
11.	Turnover	₹ 51 Mn
12.	Profit/(loss) before taxation	₹ (56) Mn
13.	Provision for taxation	₹ (1) Mn
14.	Profit/(loss) after taxation	₹ (55) Mn
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		Indus Towers Limited*
1.	Latest audited Balance Sheet Date	November 18, 2020
2.	Date on which the Associate or Joint Venture was associated or acquired	December 17, 2007
3.	Shares of Associate/Joint Ventures held by the company on March 31, 2021	
	(i) No.	Nil
	(ii) Amount of Investment in Associates/Joint Venture at Cost	Nil
	(ii) Extend of Holding %	Nil
4.	Description of how there is significant influence	Indus Towers Limited (formerly Bharti Infratel Limited) was holding 42% equity stake in Joint Venture Company (i.e. erstwhile Indus Towers Limited)
5.	Reason why the associate/joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Nil
7.	Profit / (Loss) for the year	
	(i) Considered in Consolidation	₹ 8,663 Mn (42% share) till November 18, 2020
	(ii) Not Considered in Consolidation	Nil

* The Joint venture company (i.e. erstwhile Indus Towers Limited) merged into the Company w.e.f. November 19, 2020 i.e. effective date of merger. For details, refer note no. 3 of the Consolidated financial statements for the year ended March 31, 2021.

For and on behalf of the Board

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Date: April 22, 2021
Place: Gurugram

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Annexure D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

The Members

Indus Towers Limited

(formerly Bharti Infratel Limited)

901, Park Centra, Sector-30,

NH-8, Gurugram, Haryana- 122001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Indus Towers Limited (formerly Bharti Infratel Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2021 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, 2021 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;

(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;

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not 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, 2009; **Not Applicable**, and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**.

(vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors / Businesses.

We have also examined compliance with the applicable clauses/ Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;

(ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

a. During the year, erstwhile Indus Towers Limited has been amalgamated with the Company pursuant to Scheme of Amalgamation and Arrangement (Scheme) sanctioned by Hon'ble National Company Law Tribunal Bench at Chandigarh and upon filing of the certified copy of the order with the Registrar of Companies w.e.f. November 19, 2020;

b. During the year, the Company has changed its name from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020 pursuant to the Scheme of Amalgamation and Arrangement (Scheme) sanctioned by the Hon'ble National Company Law Tribunal Bench at Chandigarh and as approved by Registrar of Companies vide approval letter dated December 10, 2020;

c. The Board has allotted 845,328,704 equity shares of ₹ 10/- each pursuant to the Scheme of Amalgamation and Arrangement (Scheme) sanctioned by the Hon'ble National Company Law Tribunal ("NCLT") Bench at Chandigarh and consequent to such allotment, the Company ceased to be subsidiary of Bharti Airtel Limited (“BAL”) and became joint venture of BAL w.e.f. November 19, 2020;

   Accordingly, the paid-up equity share capital of the Company stands increased to ₹ 26,949,369,500 divided into 2,694,936,950 Equity Shares of ₹ 10/- each fully paid-up;

d. During the year under review, the Commercial Papers (CP) issued by the Company were listed on NSE Limited in accordance with the provisions of SEBI Circular No. SEBI/ HO/DDHS/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.

e. During the year under review, the Company has classified Vodafone group companies as Promoters of the Company pursuant to the Scheme of Amalgamation and Arrangement (Scheme) sanctioned by the Hon’ble National Company Law Tribunal Bench at Chandigarh;

f. During the year under review, Promoters of the Company, except Bharti Airtel Limited and Nettle Infrastructure Investments Limited, have encumbered 75,78,21,804 equity shares of ₹ 10/- each of the Company to secure their payment obligations.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. 1644
Certificate of Practice No. 715
UDIN: F001644C000094462

Date: 15.04.2021
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A to this Report and forms an integral part of this report.

Annexure-A to the Secretarial Audit Report

The Members

Indus Towers Limited
(formerly Bharti Infratel Limited)
901, Park Centra, Sector-30,
NH-8, Gurugram, Haryana 122001

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

Dr. S. Chandrasekaran
Senior Partner
Membership No. 1644
Certificate of Practice No. 715
UDIN: F001644C000094462

Date: 15.04.2021
Place: New Delhi

(a) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

(ii) This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year ended March' 2021.

ANNEXURE -II

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The CSR Policy is intended to ensure that the CSR programs of the Company reflect its vision and values and is aligned with the applicable regulatory requirements. With active participation from its leaders to employees, the CSR arm of Indus Towers Limited (formerly Bharti Infratel Limited) tries to create positive social change through base-level intervention and volunteering. Being a global leader, Indus believes that this position brings great responsibility and commitment towards society.

The CSR vision of Indus Towers aims in taking an active role and responsibility in transforming the lives of communities by improving their socio-economic conditions. The efforts of the Company not only impacts the development of the direct beneficiaries, but also attempts to enhance the quality of lives of those who are present in the ecosystem which drive positive change.

Indus Towers has adopted a multi-fold approach for CSR and would mainly promote 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: Upon effectiveness of merger of erstwhile Indus Towers with the Company, the Committee was reconstituted on November 19, 2020. Total 4 CSR Committee meetings were held during the year including 1 meeting held subsequent to re-constitution 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
Composition as on March 31, 2021				
1	Ms. Sonu Bhasin[1]	Non -Executive Independent Director-Chairperson	1	1
2	Mr. N Kumar	Non – Executive Independent Director	4	4
3	Mr. Rajan Bharti Mittal	Non-Executive Director	4	4
4	Mr. Ravinder Takkar[1]	Non-Executive Director	1	1

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
Directors who ceased to be members of the Committee during the year				
5	Mr. Bimal Dayal[2]	Executive Director	0	0
6	Mr. D S Rawat[3]	Executive Director	2	2
7	Dr. Leena Srivastava[4]	Non – Executive Independent Director	3	3

*Details for number of meetings of CSR Committee held during the year are provided based on the number of meetings held during the tenure of the director as member of the Committee.

1. Mr. Ravinder Takkar and Ms. Sonu Bhasin were appointed as members of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
2. Mr. Bimal Dayal was appointed as member of CSR Committee w.e.f. October 22, 2020 and he ceased to be the member of the committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
3. Mr. D S Rawat ceased to be the member of the Committee w.e.f. August 3, 2020.
4. Dr. Leena Srivastava ceased to be the member of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.

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:

   https://www.industowers.com/investor/corporategovernance/#board-committees

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).:

   Not applicable this year

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the Financial Year, if any (in ₹)
		Not Applicable	

6. Average net profit of the company as per section 135(5) : ₹ 23,924 Mn

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 478.48 Mn

   (b) Surplus arising out of the CSR projects or Programmes or activities of the previous Financial Years : Not Applicable

   (c) Amount required to be set off for the Financial Year, if any : Not Applicable

   (d) Total CSR obligation for the Financial Year (7a+7b-7C) : ₹ 478.48 Mn

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹) Mn	Amount Unspent (in ₹) Mn				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
706.40	N.A.	N.A.	N.A.	-	-

(b) Details of CSR amount spent against **ongoing projects** for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹) Mn	Amount spent in the current financial Year (in ₹) Mn	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) Mn	Mode of Implementation Direct (Yes/No).	Mode of Implementation -Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Indus Towers Scholarship Program	Sec. 135 (ii) Promoting education	Yes	Eight states in North East **	Covered more than 51 districts including***	Five years	3.84*	3.84	-	No	Shishu Sarothi (Centre for Rehabilitation and Training for Multiple Disability)	CSR00001148
	TOTAL						**3.84**	**3.84**				

* Indus Towers Scholarship Program is a multi-year project with two phases. The total project cost is ₹ 47.49 Mn. However, out of the total, the budget is approved by the Board on Annual basis and only the annual amount allocated for the project is considered in the total CSR spend of 2% for the Financial year.

** Assam, Arunachal Pradesh, Meghalaya, Mizoram, Sikkim, Tripura, Nagaland and Manipur

*** East Kameng, Kurung Kumey, Lower Subansiri, Papum Pare, Siang, Biswanath, Cachar, Charaideo, Darrang,Dhubri, Dibrugarh, Jorhat, Kamrup, Kamrup Metro, Karbi Anglong, Morigaon, Nagaon, Nalbari, Sonitpur, Tinsukia, Udalguri, Bishnupur, Churachandpur, Imphal East, Imphal West, Kakching, Thoubal, Ukhrul, East Jaintia Hills, East Khasi Hills, Ri Bhoi, South Garo Hills, South-West Garo Hills, South West Khasi Hills, West Jaintia Hills, Aizawl, Churachandpur, Lawngtlai, Lunglei, Saiha, Serchhip, Peren, Kohima, Dimapur, East Sikkim, West Sikkim, Dhalai, Gomati, West Tripura, North Tripura, South Tripura.

c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹) Mn	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number
1.	Satya Bharti School Program, Satya Bharti Quality Support Program and other education programs	Sec. 135 (ii) Promoting Education	Yes	Covered over 16 states*	Covered over 54 districts**	444.00	No	Bharti Foundation	CSR00001980
2.	PM CARES FUND	Sec. 135 (viii) Contribution to PM Cares Fund	-	-	-	250.64	Yes		
3.	Indus Digital Transformation Van Program$	Sec. 135 (ii) Promoting Education	Yes	Madhya Pradesh	Bhopal	4.29	No	NIIT Foundation	CSR00000621
4.	Support to Government in setting up India's Largest covid care Centre & Hospital$	Sec. 135 (i) & (xii) Promotion of healthcare and disaster management	Yes	Delhi	South West Delhi	0.58	Yes	Piconet Innovative Solutions Private Limited	-
5.	Monitoring and other direct expenses for all program including ongoing projects	-	-	-	-	1.27	-	-	-
	TOTAL					**700.78**			

$Spent by the Company post-merger pursuant to CSR obligation commitment of erstwhile Indus Towers

*Haryana, Punjab, Rajasthan, TN, WB,UP, Assam, New Delhi, Goa, HP, J&K, Jharkhand, KK, Ladakh, Meghalaya and Telangana

**Kaithal, Kurukshetra, Jhajjar, Mahendragarh, Rewari, Amritsar, Ludhiana, Sangrur, Mushirdabad, Jodhpur, Pali, Shahjahanpur, Farrukhabad, Sivaganga, Karnal,Gurgaon, Bhatinda, Fazilka, Ajmer, Tonk, Barmer, Majuli, Jorhat, Biswanath, Kamrup, North Delhi, North West Delhi, West Delhi, South West Delhi, North Goa, South Goa, Shimla, Rajouri, Anantnag, Bandipora, Shopian, Kulgam, Baramulla, Kupwara, Poonch, Badgam, Gandarbal, Jammu, Bandipora, Deoghar, Dumka, Godda, Pakur, Ramanagara, Kargil, Leh, East Jaintia Hills, West Jaintia Hills,Rajanna

(d) Amount spent in Administrative Overheads* : ₹ 1.78 Mn

*Includes the expenses allowed under administrative overheads as per the erstwhile CSR rules.

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 706.40 Mn

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹) Mn
(i)	Two percent of average net profit of the company as per section 135(5)	478.48
(ii)	Total amount spent for the Financial Year	706.40
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	227.92*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	154.79*

*Excess spent by the Company is ₹ 227.92 Mn (after taking into account ₹ 73.13 Mn Spent by the Company post-merger pursuant to CSR obligation commitment of erstwhile Indus Towers). Erstwhile Indus Towers Limited merged with and into the Company during the year under review. As per Section 135 of the Companies, CSR obligation for Financial Year 2020-21 of erstwhile Indus Towers was ₹ 867.00 Mn, out of which erstwhile Indus Towers had spent ₹ 793. 87 Mn. up till the date of merger. The shortfall in CSR obligation of erstwhile Indus Towers at the time of merger was ₹ 73.13 Mn. Therefore, after setting off the shortfall, the net excess spent by the Company is ₹ 154.79 Mn.

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
Not Applicable							

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹) Mn	Amount spent on the project in the reporting Financial Year (in ₹ Mn)	Cumulative amount spent at the end of reporting Financial Year. (in ₹) Mn	Status of the project - Completed /Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year:

Not Applicable

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).:

Not Applicable

For Indus Towers Limited (formerly Bharti Infratel Limited)

Sd/-
Sonu Bhasin
Chairperson CSR Committee
(DIN: 02872234)

Sd/-
Bimal Dayal
Managing Director & CEO
(DIN: 08927887)

Date: April 22, 2021
Place: Gurugram

Annexure F

To

The Members of Indus Towers Limited

(Formerly Bharti Infratel Limited)

901, Park Centra, Sector 30

NH-8, Gurugram, Haryana-122001

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated October 21, 2020.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Indus Towers Limited ("the Company"), (Formerly known as Bharti Infratel Limited), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations (as amended) during the year ended March 31, 2021.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins and Sells LLP

Chartered Accountants

(Firm's registration No. 117366W/W-100018)

Vijay Agarwal

Partner

Membership No: 094468

UDIN: 21094468AAAADJ4551

Place: New Delhi

Date: April 22, 2021

Annexure G

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 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, 2021, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Bharti Airtel Limited or "Airtel" (Parent Company till November 18, 2020 and Promoter Company w.e.f. November 19, 2020).
(b)	Nature of contracts/arrangements/ Transactions	• To provide passive infrastructure services • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. • Rental/Reimbursement of charges towards usage of premises and availing related services. • Reimbursement of cost incurred towards merger.
(c)	Duration of the contracts/ arrangements/ transactions	All the contracts/arrangements/transactions are ongoing basis except as under: - • 10/15 years for providing of passive infrastructure services to Airtel for each co-location by Indus Towers Limited (formerly Bharti Infratel Limited) or "the Company" pursuant to Master Service Agreement executed between Airtel and the Company. • By virtue of amendment 3 and 5 to MSA executed by the Company and erstwhile Indus Towers Limited or "erstwhile Indus" (merged with the Company w.e.f. November 19, 2020) with Airtel, all tenancies with tenure expiring on or before March 31, 2022 got unconditionally extended up to March 31, 2022. • Agreement for USOF sites for Project maintenance charges and Operation & maintenance charges. • Multiple separate term sheets have been signed with Airtel for new products offered from time to time like Eco Site, Eco Lite site, Repeater Site, IOT, Nano Site, Small Cell, Lite Plus etc. • Exit Settlement Agreement for Telenor and Tata exited sites.

(d)	Salient terms of the contracts or arrangements or transactions including the value if any	• To provide passive infrastructure services The Company has entered into Master Service Agreements (MSA) with Airtel in December 2007 and March 2008 (for the Company and erstwhile Indus, respectively) and subsequently four amendments for the Company and six amendments for erstwhile Indus have been executed till date. The MSA and its amendments executed between the parties sets out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance services, and corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the SLA applicable to both the parties w.r.t. their respective obligations under the MSA. 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, the parties have arrived at arrangement under which the energy consumed is charged at fixed rates. The parties have also entered joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions. The Company and erstwhile Indus vide MSA Amendment 3 and 5 respectively with Airtel, effective April 1, 2016, have changed some of the existing clauses of the MSA in respect of increment freeze on existing tenancies, change in standard thresholds for additional charges and changes in the permitted exit for tenancy and active equipment to bring parity with new business. The Company and erstwhile Indus vide MSA Amendment 4 and 6 respectively with Airtel, effective February 28, 2020, and February 1, 2019, respectively have changed the clauses in respect of Security Deposit and Credit period under the MSA. During the year, the Company has offered various new products to Airtel under the MSA keeping in mind its requirement for various solutions for their network. Further, Under USOF agreement, the Company is entitled to one-time project management charges for USOF sites RFIed under the contract. Additionally, the Company will also get monthly Operation & maintenance charges against the RFIed USOF sites. The Company has also entered into an agreement for sharing Dark Fibre for a period of 15 years in Bhopal Smart City. Overall monetary value of the transaction depends upon the number of sites provided, site location, number of co-locations etc. and vary from time to time. The net value of such transaction for Financial Year 2020-21 amounts to ₹ 67,386 Mn (excluding GST). Further, exit settlement term sheet executed between both the parties towards 19,824 sites partly in Cash spread over 36 months and partly by way of extension of tenure on existing sites. Total revenue recognized during the Financial Year 2020-21 due to such exit charges amounting to ₹ 948 Mn (excluding GST).

		• To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. and reimbursement of merger cost. Airtel 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 Airtel on arm's length basis. Further, the Company has also reimbursed cost to Airtel incurred for merger of the Company and erstwhile Indus. Overall monetary value of the transaction depends upon the number / volume of services availed and the applicable rates of such services at the relevant time. The net value of such transaction for Financial Year 2020-21 amounts to ₹ 197 Mn. • Rental/Reimbursement of charges towards usage of premises and availing related services. The Company has been occupying space in some premises of Airtel and availing related facilities at such locations. The Company reimburses charges for such usage and related services. Overall monetary value of the transaction depends upon the number / volume of services availed and the charges applicable at the relevant time. The value of such transaction incurred during Financial Year 2020-21 amounts to ₹ 64 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 to be entered individually or taken together with previous transactions in a Financial Year, which exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as defined in the Related Party Transaction Policy of the Company.

*Initial approval of Board dated April 27, 2015 and subsequent approvals from time to time; initially approved by the Shareholders in the AGM held on August 11, 2015 and subsequent approval of shareholders on July 24, 2018 and February 2, 2019. MSAs have been subsequently amended from time to time. The related party transactions are placed before the Audit & Risk Management Committee on quarterly basis for their review.

For Indus Towers Limited (formerly Bharti Infratel Limited)

Date: April 22, 2021	**N Kumar**	**Bimal Dayal**
Place: Gurugram	Chairperson	Managing Director & CEO

Annexure H

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND SUBSEQUENT AMENDMENTS THERETO

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2020-21	The median remuneration of employees is ₹ 839,074 per annum. Please refer Table A for the ratios.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the Financial Year 2020-21	Please refer Table A
(iii)	The percentage increase in the median remuneration of employees in the Financial Year 2020-21	18%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2021	3,442
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in Financial Year 2020-21 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 8.53%, whereas average increase in the remuneration of KMPs is 13.63% based on industry benchmark.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration paid is as per the remuneration policy of the Company.

Table A

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2020-21 (In ₹)	% increase in remuneration in FY 2020-21 [$$]	Ratio of remuneration of each director to median remuneration of employees [a, b]
	Executive Directors			
1	Mr. Akhil Gupta [c]	78,318,445	Nil	109.24
2	Mr. D S Rawat [d]	25,238,506	Nil	44.42
3	Mr. Bimal Dayal (Managing Director & CEO) [e]	10,608,787	NA	48.86
	Non-Executive Directors			
4	Mr. Rajan Bharti Mittal [g]	562,500	NA	0.89
5	Mr. Tao Yih Arthur Lang [f,g]	562,500	NA	0.89
	Independent Directors			
6	Ms. Anita Kapur [g]	1,875,000	100%	3.58
7	Mr. Bharat Sumant Raut [f,g]	1,500,000	NA	2.38
8	Mr. Jitendra Balakrishnan [f,g]	1,125,000	NA	1.79
9	Dr. Leena Srivastava [f,g]	1,125,000	NA	1.79
10	Mr. N Kumar (Chairman) [g]	2,000,000	133.33%	4.17
11	Mr. Rajinder Pal Singh [f,g]	1,125,000	NA	1.79
12	Mr. Sharad Bhansali [f,g]	687,500	NA	3.28
13	Ms. Sonu Bhasin [f,g]	687,500	NA	3.28

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2020-21 (In ₹)	% increase in remuneration in FY 2020-21 [$$]	Ratio of remuneration of each director to median remuneration of employees [a, b]
	Key Managerial Personnel other than Executive Directors			
14	Ms. Pooja Jain[h]	20,28,860.42	8.51%	NA
15	Mr. Vikas Poddar (Chief Financial Officer)[i]	6,406,709	NA	NA
16	Mr. Samridhi Rodhe (Company Secretary)	2,852,342	46%	NA

Notes:

a. Based on Annualized Remuneration.

b. Remuneration of Employees, Executive Directors and KMPs does not include perquisite value of stock options exercised during the Financial Year 2020-21.

c. Mr. Akhil Gupta ceased to be a Director on the Board w.e.f. conclusion of the Board meeting held on November 19, 2020. There is no change in his remuneration during the year (at 100% PLI). The remuneration stated above is for the period from April 1, 2020 till November 19, 2020 and includes the PLI pay-out of last year (Financial Year 2019-20) which as a practice, is paid in the subsequent year (Financial Year 2020-21) and PLI of Financial Year 2020-21 pro-rated up till the date of his service. The remuneration in the above table does not include his retiral benefits, compensation for loss of office and one-time special bonus as provided in the Corporate Governance Report.

d. Mr. D S Rawat ceased to be the Managing Director & CEO of the Company w.e.f. August 3, 2020. There is no change in his remuneration during the year (at 100% PLI). The remuneration stated above is for the period from April 1, 2020 till August 3, 2020 and includes the PLI pay-out of last year (Financial Year 2019-20) which as a practice is paid in the subsequent year (Financial Year 2020-21) and PLI of Financial Year 2020-21 pro-rated up till the date of his service. The remuneration in the above table does not include perquisite value of ESOP, his retiral benefits, and ex-gratia pay-out as provided in the Corporate Governance Report.

e. Mr. Bimal Dayal was appointed as Managing Director of the Company w.e.f. October 22, 2020 till the effective date of merger i.e. up till November 19, 2020 without any remuneration. He was appointed as CEO w.e.f. November 19, 2020. Further, upon shareholders' approval, he was appointed as MD &CEO w.e.f. January 8, 2021. Remuneration mentioned above is w.e.f. November 19, 2020.

f. Upon effectiveness of merger of erstwhile Indus Towers Limited with and into the Company, the Board was re-constituted. Mr. Tao Yih Arthur Lang, Non-Executive Director, and Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Dr. Leena Srivastava and Mr. Rajinder Pal Singh, Independent Directors, ceased to be the Directors of the Company w.e.f. conclusion of the Board meeting held on November 19, 2020. Their remuneration (commission) stated above is for the period from April 1, 2020 till November 19, 2020. The above remuneration does not include one-time commission of ₹ 15 Lakh each paid to the aforesaid independent directors. Further, Mr. Sharad Bhansali and Ms. Sonu Bhasin were appointed as Independent Directors w.e.f. conclusion of the Board meeting held on November 19, 2020.

g. In terms of Policy on Nomination, Remuneration and Board Diversity, Independent Directors were entitled for profit-based commission of ₹ 1,500,000 per annum and Non-Executive Directors ₹ 750,000 per annum. Chairman of Audit & Risk Management Committee was entitled for an additional commission of ₹ 500,000 per annum. Upon effectiveness of merger of erstwhile Indus Towers Limited with the Company and re-constitution of the Board, the remuneration policy was revised w.e.f November 20, 2020, as follows-

- Independent Directors are entitled to profit linked commission of ₹ 2,500,000 per annum;
- Chairman of the Board is entitled to an additional commission of ₹ 1,000,000 per annum;
- Chairperson of Audit & Risk Management Committee is entitled to an additional commission of ₹ 500,000 per annum;
- Chairperson of HR, Nomination and Remuneration Committee and the CSR Committee are entitled to an additional commission of ₹ 250,000 per annum each; and
- Non-executive Non-Independent Directors are not paid any commission/ remuneration.

Accordingly, the commission of Mr. N Kumar, Chairman of the Board, and Ms. Anita Kapur, Chairperson of Audit & Risk Management Committee, was revised w.e.f. November 20, 2020. Please note that for the purpose of various calculations, the revised remuneration of Mr. N Kumar and Ms. Anita Kapur has been annualized and considered to give an effective comparison.

Further, as per the revised policy, no remuneration has been paid to the Non-Executive Directors i.e. Mr. Gopal Vittal, Mr. Harjeet Kohli, Mr. Randeep Singh Sekhon, Mr. Balesh Sharma, Mr. Ravinder Takkar and Mr. Thomas Reisten, who were appointed on the Board w.e.f. conclusion of the Board meeting held on November 19, 2020. The remuneration (Commission) to Mr. Rajan Bharti Mittal, Non-executive director is pro-rated up till November 19, 2020.

The payment of commission is based on attending the Board meeting in which quarterly results are adopted. Company has not paid any sitting fees for Financial Year 2020-2021.

h. Ms. Pooja Jain was appointed as Chief Financial Officer w.e.f. June 4, 2020 and resigned w.e.f. November 30, 2020. Her remuneration is for the aforesaid period.

i. Mr. Vikas Poddar was appointed as Chief Financial Officer w.e.f. January 12, 2021.

[$$] 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.

Annexure I

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Indus Towers Limited (formerly Bharti Infratel Limited) has always remained pioneer in adopting energy conservation and environment-friendly technologies.

Tenets of creation of our organization in 2006 were based on conservation and effective utilization of resources. The unique business model on which our organization is built allows the operators to lower their operational expenses significantly, by exploiting the best of our networks with the co-location model. This unique proposition serves a host of purposes including a considerable reduction in cost per co-location, faster rollouts, and lowers emissions.

Based on the said tenets of energy conservation combined with our constant efforts on ground, not only we have been able to create new benchmarks in energy conservation but also today we have been able to establish a total of 74,353 green sites pan India.

Our constant pervasiveness towards greener organization enhances our acceptability across the geography and helps us to emphasize on the feeling that "Towers are Good".

At Indus Towers, our vision has always been to be the best and most innovative passive communications infrastructure provider globally known for – highest uptime, cost and energy efficiencies, speed and quality of deployment and environment friendliness. Our strategy and actions are planned such that we objectively fulfil our vision of becoming a green company.

A. Conservation of Energy

(i) During the year under review, several steps were taken for conservation of energy and improving energy efficiency, some of which are listed below:

We, at Indus Towers are always committed towards creating new benchmarks for uptimes at lowest energy costs. The commitment ensures delighted customers as well as other stakeholders including local community. To support our vision, we continued our journey of increasing our leverage on new range of business engines and centralized reporting platforms which provide single access to entire site details as well as ready to use energy and other infra health analysis reports thus helping in reduction of energy costs, improvement in infra utilization levels and in turn lowering our carbon footprint.

In our constant endeavour to reduce diesel consumption, we have undertaken various projects like "Harit Sanchar" whereby mobile batteries were used to replace DG's at site, the said project led to reduction in diesel as well as emissions on the site.

To ensure effective utilization of resources on ground, during the year, we rolled out innovative Golden Cell Project which required addition of One cell to the entire battery bank. This helped in enhancing the voltage available for disposition thus leading to enhanced battery backup and reduced diesel costs. Financial Year 2020-21 saw landmark "ECO Site Initiative" whereby we and operator came together to create DG free sites (from Day 1) whereby sites were created which were powered only using Discom supplied electricity and battery backup. This concept of creating permanent green sites devoid of any DG support marks a new beginning in the Green Telecom Sector. At Indus, we believe that apart from electrification, batteries act as major catalyst for reduction of energy cost/emissions as it supports reduction of DG run hour in absence of state electricity on site. Hence, it remains our core focus area. This year, we continued with addition of new solutions to our battery solution basket which has expanded to VRLA, Advanced VRLA, T-GEL, Lithium ion, Lithium ion + VRLA combo, HTC batteries which effectively covers all commercially viable storage solutions available in our ecosystem.

In our constant endeavour towards enhancing our solutions on the ground, we have also put up state of the art Li-ion battery along with soft switch over technology on trial. The said technology helps us in enhancing effectiveness of battery switch over technologies thus providing better performances on the ground.

Our focus on "Moving out of Air-conditioner" remains unruffled. We have been constantly marching in our journey and been able to convert 85% of our sites to Outdoor, which has not only resulted in reducing energy costs but also emissions from the site. In line with our journey we have introduced Dual Turbine Unit for Reinforced Cement Concrete structures, large sized micro cooling with HEX based solution, apart from already designed solution gamut including solar based natural free cooling units, large sized micro cooling cabinets, HEX based micro cooling units Free Cooling Unit (FCU), Natural Cooling Unit (NCU) and Dual Turbine Unit. As a next level, we intend to create more concentrated cooling solutions with an intention to create solutions for specific equipment thus removing the need for providing in efficient cooling to all equipment present on the floor.

To improve upon existing cooling solutions, we have introduced high efficiency aircon for reducing energy consumption at critical sites where air conditioners are still mandatorily required for the upkeep of operator equipment. Precision aircon too have been rolled out for higher loads with ultra-sensitive cooling requirement, the said precision aircon are known for their effective cooling at high energy efficiency.

Energy Efficiency has also been steadily rising in our systems with introduction of high efficiency rectifier module and power system into our folds which is resulting in reduction in energy consumption or in turn costs.

To further improve energy efficiency, low-cost intelligent solutions have been developed and are replacing ageing Power Interface Unit based power system. It ensures life extension of PIU related infrastructure as well as reduction in energy losses happening owing to old and aged PIU.

To ensure that energy solutions remain cost effective, we also rejuvenate batteries which extends life of existing battery banks thereby delivering energy savings at lower costs.

Our multipronged strategy for reducing consumption and losses along with operational efforts have yielded great results and have helped in reduction in diesel consumption.

(ii) The following initiatives have been undertaken by the Company to utilise alternate source of energy:

Alternate energy utilization has always remained a focal point of the Company. For ensuring the same we constantly scan for conventional or non-conventional energy sources, whereby all aspects such as technical, commercial proposition and scalability are thoroughly tested and validated. Solutions are evaluated technically , commercially in terms of deployment and scalability. Different solutions for alternate energy such as solar, wind, hydrogen-based fuel-cell, biomass, Gas gensets have been tested and feasible solutions among these have been adopted.

Our constant endeavour towards enhancing alternate energy utilization in our network, has resulted in deployment of largest solar footprint in telecom industry leading to reduction in carbon emission. To further enhance our reach, we have developed complete solar solution ensemble comprising of solutions based on charge controller, solar inverters and combination of solar inverter and charge controller. We intend to continue deploying alternatives based on site feasibility analysis.

Our unique powering site through RESCO model allows us to support local community by ensuring that RESCO organization powering our sites also provides green energy to the deprived local community. Our such efforts have got a lot of laurels and recognition for us.

In our efforts toward replacing Diesel Gensets, we have also started to deploy gas gensets on the site thus enabling utilization of natural gas which is cleaner and cheaper source of energy.

In line with our future readiness, we have completed trials for methanol-based fuel cell. Methanol based fuel cell works on hydrogen as fuel and provides clean energy thereby. The solution is now in ready to deploy state.

(iii) Future plan of action

In line with our vision to Shut DG project we intend to continue our journey towards moving out of DG's by enhancing usage of newer technologies like mobile batteries, battery switchover technologies, enhancing the reach of gas genset etc.

As a committed movement towards energy cost optimization at Indus, we plan to remain focussed on increasing EB availability, improving efficiency, reducing load, deploying high end batteries, enhancing adoption of renewable energy sources and driving operational efficiencies.

To improve on utilization of renewables and increasing our contribution towards society, we continue to focus our synergies for maximization of RESCO model in more states, thus ensuring a reliable clean power to ourselves as well as doing our bit for the betterment of community.

Our efforts towards Shutting DG's or Zero Emission Network project would continue to remain in focus, we also intend to enhance our joint efforts with Operators for quicker adoption of lower power consuming devices and maximizing conversion of indoor to outdoor sites.

(iv) The Capital investment on energy conservation equipment

(₹ Millions)

S. No.	Capex on Energy Conservation	Standalone	Consolidated
1	During FY 2020-21	10	11
2	Cumulative as on March 31, 2021	3,269	8,312

B. Technology Absorprtion

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services.

C. Foreign Exchange Earnings and Outgo

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans;

Indus Towers Limited (formerly Bharti Infratel Limited), being a telecom tower infrastructure service provider, has not undertaken any activity relating to exports or development of export markets for services.

(ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning: Nil

(b) Total Foreign Exchange Outgo: ₹ 37 Mn

Management Discussion and Analysis

Indian 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 1.16 Bn (as of January 31, 2021). Wireless broadband base now stands at 734.26 Mn (as of January 31, 2021) representing a wireless broadband penetration of ~54%. Source: TRAI

The Indian telecom market has seen an exponential growth in subscribers and wireless data volumes in last few years driven by affordable tariffs, newer technologies providing faster services, ever-expanding network coverage and capacity, ecosystem enhancement from handsets to content along with apps and use cases for data, overall economic development and digitization initiatives across private and public sector, regulatory developments, etc.

According to Nokia MBiT Index Report 2021, post introduction of 4G services in 2014-15, total data traffic increased by ~60 times (2015-2020), one of the highest in the world and average monthly data usage per user has increased almost 17 times in these five years, a CAGR of 76% p.a. Strong trends continued in 2020, with total traffic increasing 36% YoY and average monthly data traffic per user increased by 20.4% YoY, driven by continued upgradation to 4G & increased online traffic due to COVID-19. Increased online education, remote working across sectors and higher Over-the-top (OTT) viewership were among the reasons that have contributed to the data traffic growth.

With the continued migration from 2G/3G to 4G, introduction of 5G, launch of low cost 4G smartphones, the wireless growth trends are expected to continue in the future. Another segment that is expected to come in the limelight is fixed broadband through fixed wireless access (FWA) and FTTx, as digital services such as e-commerce, e-payments, online education and entertainment continue to grow in the country. 5G spectrum auctions likely in 3.3-3.6 GHz band expected in the near future and potentially mm Wave band could further boost FWA as a cost-effective broadband alternative.

Indian Telecom Infrastructure Industry Overview

The Indian Telecom Infrastructure industry boasts of 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.

Over the years, IP-1 players have played an important role in the proliferation of affordable wireless services in the country by creating shared infrastructure for the Telecom Service Providers (TSPs) which ensures opex and capex efficiencies, faster time-to-market and avoids any duplication across the value chain which would otherwise lead to wastage of resources.

India has been at the helm of passive infrastructure sharing, a model that has been emulated globally. Since 2010, number of towers has quadrupled to reach more than 600,000 towers at present providing ubiquitous quality services to 1.16 Bn consumers (Sep'20 – Source: E&Y/ TAIPA).

In the last year, the COVID-19 pandemic has brought the critical role of telecom infrastructure in connecting the nation to the forefront as wireless networks saw a surge in volumes as traffic migrated to homes with limited fixed-line capacity to support this demand.

The infrastructure industry continues to support the requirements from TSPs as more sites are needed to keep up with the 4G data demand. As the country evolves towards 5G, IoT, enhanced fiberization in the coming years, the next investment cycle will warrant infrastructure players to play a greater role that goes beyond passive infra sharing.

The regulatory body, TRAI in line with similar global developments have already proposed that IP-1 registration holders participate in active infrastructure sharing. The relevant regulations in this direction will provide the infrastructure industry players the path to go beyond traditional macro towers and create a wider business models where adjacent opportunities such as smart cities, small cells, fiber, edge data centers, WiFi, EV Charging are also explored.

Industry Structure and Key Developments:

COVID-19 and Impact: As the world economy continues to reel from the impact of the COVID-19 outbreak, the telecom infrastructure companies continue to play a critical role in keeping businesses, governments and other institutions connected and running. Many telecom players have benefitted from a surge in the traffic of data and voice. As a result, the telecom infrastructure sector is performing relatively better compared to other sub-sectors. While there were some operational delays in the first quarter of the Financial Year, overall the Company has not seen any significant impact on the financial position and performance in Financial Year 2020-21 due to COVID-19. Please also see note 49 of standalone financial statements for more details.

AGR Update: Further to the judgement passed by the Hon'ble Supreme Court dated October 24, 2019 (SC AGR Judgement), during the year Financial Year 2020-21 the Hon'ble Supreme Court vide its judgment dated September 1, 2020 inter-alia, granted the telecom operators 10 years to clear their AGR (Adjusted Gross Revenue) dues. The Hon'ble Supreme Court directed telecom operators to pay 10 per cent of the total dues demanded by the

Department of Telecommunications (DoT) by March 31, 2021. The TSPs then have to make payment in yearly instalments commencing from April 1, 2021 up to March 31, 2031 payable by March 31 of every succeeding Financial Year i.e. 10 yearly instalments.

2021 Spectrum Auction: On January 6, 2021, the DoT invited applications for a total quantity of 2308.80 MHz across frequencies in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz bands for a period of twenty years. On March 2, 2021, the DoT announced successful completion of the auction, with the value of the spectrum for which there were winning bids at ₹ 77,814.80 crore and informed that bidding took place for spectrum in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2300 MHz bands. The total quantity of spectrum for which right to use has been acquired in these bands is 855.60 MHz. The participants did not bid in 700 MHz and 2500 MHz bands. Three bidders – Bharti Airtel Ltd, Vodafone Idea Ltd, and Reliance Jio Infocomm Ltd – participated in the auction. Bidder-wise details of quantity of spectrum acquired and amounts payable are as follows:

Bidder	Total quantity (MHz)	Total amount (₹crore)
Bharti Airtel Ltd	355.45	18,698.75
Vodafone Idea Ltd	11.80	1,993.40
Reliance Jio Infocomm Ltd	488.35	57,122.65

Source: PIB

5G Updates: During the year, the TSPs have announced various updates on their 5G initiatives in plans.

On October 20, 2020 Qualcomm Technologies, Inc. and Reliance Jio Platforms Limited (RJio) along with its wholly owned subsidiary Radisys Corporation announced their expanded efforts to develop open and interoperable interface compliant architecture based 5G solutions with a virtualized RAN. This work is intended to fast track the development and roll out of indigenous 5G network infrastructure and services in India. Earlier on July 15, 2020, Reliance Industries in its Annual General Meeting (AGM) had said that RJio had designed and developed a complete 5G solution from scratch and it intends to launch 5G service in India using 100% home grown technologies and solutions.

On January 28, 2021 Bharti Airtel announced that it has become the country's first telco to successfully demonstrate & orchestrate Live 5G service over a commercial network in Hyderabad city. Airtel did this over its existing liberalized spectrum in the 1800 MHz band through the NSA (Non-Stand Alone) network technology.

Vodafone Idea in the 5G Congress – 2021 event, said that the Company has made great strides in making its telecom and IP network 5G-ready and that it is already using several next generation technologies, and has the world's largest Dynamic Spectrum Refarming (DSR) technology deployment on 6,000 sites and already undertaken India's largest massive MIMO deployment on more than 30,000 sites and adopted open radio access network technologies with cloudification of the core.

Internet of Things (IoT) Updates: On April 7, 2021 Bharti Airtel launched 'Airtel IoT' - an integrated platform that enable enterprises to harness the power of Internet of Things (IoT) and be ready for the emerging era of connected things. On April 8, 2021 Vodafone Idea announced the launch of Integrated IoT solutions for enterprises. With this the Company will offer a secure end-to-end IoT solution offering that comprises connectivity, hardware, network, application, analytics, security and support. Earlier on July 15, 2020, Reliance Industries in its Annual General Meeting (AGM) had said that RJio expects to connect at least half of the 2 Bn estimated connected devices within two years on its IoT platform.

Bharti Airtel Secondary Block Placement: On May 26, 2020 Bharti Telecom, the promoter company of Bharti Airtel, had sold 2.75% stake in Bharti Airtel to institutional investors through an accelerated book building process in the secondary market. The total sale proceeds were over ₹ 8,433 crores (USD ~1.15 Billion). Post this transaction, Bharti Group and Singtel held a majority stake in Bharti Airtel at 56.23%. The sale proceeds were to be fully utilized to repay debt at Bharti Telecom Limited and make the promoter holding company a debt-free company.

Bharti Airtel Fund Raise: During the year, Bharti Airtel completed debt fund raise of USD 1.25 Bn through issuance of Senior Unsecured foreign currency (USD) denominated Notes aggregating to USD 750 Mn and Issue of guaranteed perpetual securities of USD 500 Mn by Network i2i Limited, a subsidiary of Bharti Airtel.

Bharti Airtel Data Centre Business Stake Sale: On July 1, 2020 Bharti Airtel announced an agreement with The Carlyle Group, for an investment of USD 235 Mn for a 25% stake through its affiliates, in Nxtra Data Limited (Nxtra), a wholly owned subsidiary of Bharti Airtel engaged in the data center business. The post-money enterprise valuation of Nxtra is approximately USD 1.2 Bn. Subsequently, on October 15, 2020, Bharti Airtel has announced that it has received the approval from the Competition Commission of India and after completion of other conditions precedents agreed between the parties, the first closing has been completed.

Investments in Reliance Jio Platforms: During the year, Reliance Industries Limited and Jio Platforms Limited announced stake sales totaling ₹ 1,52,056 crores. The investments were made by Facebook Inc., Google LLC, Vista, KKR, The Public Investment Fund, Silver Lake, Mubadala, General Atlantic, ADIA, TPG Capital, L Catterton, Intel Capital and Qualcomm into Jio Platforms, a subsidiary of Reliance Industries Limited. The total investments by all above investors translate into a ~33% equity stake in Jio Platforms on a fully diluted basis.

Vodafone Idea Fund Raising: The Board of Directors of Vodafone Idea, in its meeting held on September 4, 2020 approved the raising of funds, subject to various regulatory and other approvals as a) ₹ 15,000 crores through issue of equity shares or securities convertible into equity shares, GDRs, ADRs, FCCBs, Convertible Debentures and warrants, etc. b) ₹ 15,000 crores through issuance of unsecured and / or secured, non-convertible debentures. However, the total raising of funds under (a) & (b) above shall not exceed ₹ 25,000 crores. Subsequently, in its Annual General Meeting held on September 30, 2020, the Company's shareholders have approved of issuance of securities for amount not exceeding ₹ 15,000 crores.

Update on Brookfield's Investment in Tower Infrastructure Trust of Reliance: On September 1, 2020, Brookfield Infrastructure Partners L.P. (Brookfield) announced that it has completed the previously announced acquisition of a 100% stake in a telecom tower company in India from Reliance Industrial Investments and Holdings Limited, a wholly owned subsidiary of Reliance Industries Limited (RIL). Brookfield and its institutional partners including GIC will be making an equity investment of approximately $3.4 Bn (₹ 25,215 crores) of which Brookfield will be investing $600 Mn (₹ 4,450 crores). The transaction was completed after obtaining all regulatory approvals, fulfilling other completion requirements and subscription of units of the Tower Infrastructure Trust by Brookfield alongside its institutional partners. The investment comprises a portfolio of around 135,000 communication towers which forms Reliance Jio Infocomm Limited's (RJio) telecommunication network. More towers are planned, increasing the total number of towers in the transaction perimeter to approximately 175,000. RJio is the anchor tenant of the tower portfolio under a 30-year Master Services Agreement. Following the acquisition by Brookfield, the entity is now called Summit Digitel Infrastructure Private Limited.

TRAI Consultation Paper on Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed: Universal access to broadband is critical for the success of the Digital India program, and therefore creation of supportive Information and Communications Technology (ICT) infrastructure becomes a priority for the Government as well as the industry. TRAI in its paper has focused on various innovative approaches for infrastructure creation to promote the broadband connectivity and enhancement of broadband speed. In this regard, inter alia two important aspects have been dealt by TRAI in the paper – (a) issues relating to grant of Right Of Way (RoW) permissions and (b) the concept of developing common duct infrastructure for laying OFC.

Company updates

Merger of erstwhile Indus Towers Limited with and into 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. Subsequently, the Scheme received requisite regulatory approvals including approval from National Company Law Tribunal (NCLT), Chandigarh vide its order dated May 31, 2019 read with its order dated October 22, 2020.

The Company had filed certified copy of the NCLT order with the Registrar of Companies on November 19, 2020 to make the Scheme effective (Effective Date). Upon the Scheme becoming effective, the Transferor Company stood dissolved without being wound-up and amalgamated with and into the Company on a going concern basis. Vodafone Idea Limited had elected to receive cash pursuant to the right available to certain shareholders as per the Scheme. Pursuant to the same, Vodafone Idea Limited received cash consideration of ₹ 37,642 Mn for its 11.15% shareholding in erstwhile Indus Towers. The said transaction was executed and completed on November 19, 2020.

For their 42% and 4.85% shareholding in erstwhile Indus Towers, Vodafone (through its indirect wholly owned subsidiaries) and P5 Asia Holding Investments (Mauritius) Limited (Providence) were allotted 757,821,804 and 87,506,900 equity shares aggregating to 28.12% and 3.25% respectively, in the post-issue share capital of the Company. Accordingly, the paid-up equity share capital of the Company stands increased to ₹ 26,949,369,500 divided into 2,694,936,950 Equity Shares of ₹ 10/- each fully paid-up. Bharti Airtel along with its wholly owned subsidiary Nettle Infrastructure Investments Limited held 36.73% in the post-issue share capital of the Company following the above allotment. On December 2, 2020 and December 28, 2020, Bharti Airtel through Nettle Infrastructure Investments Limited acquired additional ~4.94% and ~0.06% through the open market, taking its holding to 41.73% in the Company.

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. Together, the promoters owned 69.85% of the Company as on March 31, 2021. Please visit our website for more disclosures pertaining to the Scheme of Amalgamation.

Reconstitution of the Board and Change in KMP: The Board of Directors, in its meeting held on July 27, 2020, accepted the resignation of Mr. D S Rawat as Managing Director & CEO of the Company and as a Director from the Board w.e.f. the close of business hours on August 3, 2020. Subsequently, Mr. Bimal Dayal was appointed as Managing Director of the Company w.e.f. October 22, 2020 till the effectiveness of the Scheme of Amalgamation and Arrangement between the Company and erstwhile Indus Towers Limited (Scheme). Upon effectiveness of the Scheme, the Board of the Company was re-constituted w.e.f. conclusion of the Board meeting held on November 19, 2020 as follows: Ms. Anita Kapur and Mr. N Kumar (Independent Directors) and Mr. Rajan Bharti Mittal (Non-Executive Director) continued as the Directors on the Board of the Company. Mr. Akhil Gupta (Executive Chairman), Mr. Bimal Dayal (Managing Director), Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Dr. Leena Srivastava and Mr. Rajinder Pal Singh (Independent Directors), and Mr. Tao Yih Arthur Lang (Non-Executive Director) resigned from the Board. Mr. Sharad Bhansali and Ms. Sonu Bhasin (Independent Directors) and Mr. Balesh Sharma, Mr. Gopal Vittal, Mr. Harjeet Kohli, Mr. Randeep Singh Sekhon, Mr. Ravinder Takkar and Mr. Thomas Reisten (Non-Executive Directors) were appointed as additional directors on the Board of the Company. Mr. N Kumar, Independent Director was appointed as the Chairman of the Board. Mr. Bimal Dayal was appointed as Chief Executive officer of the Company w.e.f. November 19, 2020. Further the Board had recommended his appointment as Managing Director & CEO for a period of 5 years commencing from the date of approval of shareholders. The shareholders have approved his appointment as MD & CEO w.e.f. January 8, 2021. Ms. Pooja Jain, was appointed as Chief financial Officer w.e.f June 4, 2020 resigned from the position of Chief Financial Officer w.e.f. November 30, 2020 and Mr. Vikas Poddar has been appointed as the Chief Financial Officer of the Company w.e.f. January 12, 2021.

Opportunities and Threats

Opportunities

Continued densification opportunity driven by 4G: Since its launch in 2014-15, 4G data volumes have continued to rise year after year driven by a combination of more users and higher average consumption per user. The year 2020, witnessed 4G payload increase by another 40% YoY (Source: Nokia MBiT 2021). We believe this growth will lead to continued densification of networks in the country, especially as consumption moves more to video content including live video streaming which requires more capacity and lower latency. Also, with introduction of low cost 4G smartphones, migration from 2G/3G is likely to further intensify 4G traffic growth which could add a further boost to the overall demand in the coming years.

Next Generation Technologies: One of the three missions of the National Digital Communications Policy (NDCP) 2018, was to propel India by enabling next generation technologies and services through investments, innovation and IPR generation. It includes creating a roadmap for emerging technologies and its use in the communications sector, such as 5G, Artificial Intelligence, Robotics, Internet of Things, Cloud Computing and M2M. With the Government focus on these and impending 5G auctions, we believe the coming years present a wide range of opportunities for businesses to provide future ready products/services and create use cases that we believe, will require high throughput and an ultra-reliable low-latency network, which will ride on robust digital communications infrastructure, facilitated by companies like ours.

Adjacent opportunities: As seen globally, India is also presenting newer opportunities to infrastructure companies to go beyond traditional macro towers to adjacent revenue streams such as fiber including neutral host FTTx, small cells, data centers, smart cities, Wi-Fi, IoT, EV charging, energy management and back-up, in-building solutions, etc. While some are expected in the long-run, others like fiberization of towers are more near-term in nature, where the Government has clearly laid out targets in the NDCP 2018. Globally countries such as US, Indonesia, China, etc. are already seeing infrastructure companies diversify into these new assets and services. Indus Towers is also currently pursuing few of these such as smart cities, small cells, etc. through our ongoing projects and will continue to evaluate additional adjacent opportunities.

Inorganic Growth: Following the consolidation on the operators' side in the last few years, the tower industry may also have a similar scope especially companies with smaller portfolios. Such companies/portfolios may present an inorganic growth opportunity to Indus Towers to enhance its scale, improve its footprint and enhance its overall business potential. We will assess these opportunities in accordance with the Company's philosophy if they are value accretive. All such opportunities will be explored in consultation with the Board of Directors.

Threats

Financial Health of Operators: In the last few years, intense price competition, regulatory payouts including the dues following the SC AGR Judgement, spectrum related payments, etc. have affected the financial health of operators. Our largest customers, Bharti Airtel and Vodafone Idea are raising or have raised substantial amounts to strengthen their balance sheets. However, since our business and growth prospects mainly depend on demand from these providers in India, any deterioration in their financial health due to increased competition leading to loss of market share and/or deterioration of cash flows, inability to raise further funds, adverse regulatory regime, general economic conditions, policy changes etc. can affect their ability to pay for infrastructure services, which in turn could adversely affect Indus Towers' revenues, cash flows and overall financial condition.

Operator Consolidation: The Indian telecom market has witnessed operator consolidation, with the number of operators reducing from 14 at its peak to 5 in Financial Year 2018-19. Any further consolidation either in number of players or their network footprint, could lead to material reduction in revenues and profitability. It may also impact the incremental revenue potential from these operators.

Increase in Competitive Intensity: As a B2B company, we see limited price elasticity i.e. increase in demand due to price cuts as we believe co-location demand is not interchangeable. Operators typically demand a certain location based on their radio planning and specific latitude/longitude requirements. However, one cannot rule out increase in competitive intensity especially as newly formed tower companies may seek to enhance market share/revenues and TSP consolidation has led to many tower companies witnessing sharp drop in co-locations leading to material financial impact for such companies. Additionally, TSPs have witnessed pressures on their financial health in the last few years driven by heightened competitive intensity, regulatory payouts, etc. Thus, their ability to pay prevailing rates for use of passive infrastructure may also decline over time.

Pricing risk due to renewals: Any unfavorable terms such as lower pricing upon renewal of leasing agreements with customers are a risk to the Company, especially in the case of mass renewals which are likely for Indus Towers in the next 1-2 years. This could adversely impact the financial health of the Company.

EMF Radiation Norms: EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. 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 being 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 company business adversely.

Financial Results & Operations

Company's net tower portfolio grew to 179,225 and net co-locations grew to 322,438 as on March 31, 2021. For the year ended March 31, 2021, the closing sharing factor stood at 1.80 times per tower.

For the quarter ended March 31, 2021, Indus Towers had average sharing factor of 1.81 (with closing sharing factor of 1.80) per tower.

The standalone revenues for the year, at ₹ 139,508 Mn grew by 107% over the corresponding period last year primarily on account of merger.

For the year ending March 31, 2021, EBITDA grew by 101% Y-o-Y to ₹ 72,586 Mn, representing an operating margin of 52%. EBIT grew by 90% Y-o-Y to ₹ 43,351 Mn and the net profit for the year increased by 91% to ₹ 33,382 Mn primarily on account of merger.

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Corporate Affairs ('MCA') from time to time.

The results for the current Financial Year include the results of the erstwhile Indus Towers Limited which merged with and into the Company w.e.f. November 19, 2020 for the period subsequent to that date till the end of the Financial Year. Accordingly, the figures for the current Financial Year ended March 31, 2021 are not comparable with the figures of the previous Financial Year ended March 31, 2020.

The following table shows a summary of key ratios on a standalone basis:

Parameters	Unit	Full Year Ended	
		Mar'21	Mar'20
Debtors Turnover[1]	Times	6.65	22.33
Current Ratio[1]	Times	0.69	1.30
Debt Equity Ratio[1]	Times	0.51	0.17
Operating Profit Margin (%)	%	52.0%	53.7%
Net Profit Margin (%)[1]	%	20.9%	25.9%
Interest Coverage Ratio[1&3]	Times	11.41	(977.57)
Inventory Turnover	NA	NA	NA
Average Sharing Factor	Times	1.80	1.84
Closing Sharing Factor	Times	1.80	1.80
Sharing Revenue per Tower p.m	₹	66,409	85,493
Sharing Revenue per Sharing Operator p.m	₹	36,303	45,213
Return on Shareholder's Equity Pre Tax[1&2]	%	32.86%	28.26%
Return on Shareholder's Equity Post tax[1&2]	%	24.62%	20.46%

1. The aforesaid ratios are not comparable, as during the year erstwhile Indus Towers Limited has been merged with and into the Company (formerly Bharti Infratel Limited) with effect from November 19, 2020.
2. Return on shareholder's equity is calculated excluding dividend income.
3. Interest coverage ratio: It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by finance cost (net) for the preceding (last) 12 months.

Risks & Concerns

The following section discusses the various aspects of enterprise-wide risk management. Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only.

Indus Towers Limited believes that risk management and internal control are fundamental to effective corporate governance and development of a sustainable business. The Company has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:

General Economic Conditions in India

A significant change in the government's policies, other global and domestic macro factors, could affect business and economic conditions in India and could also adversely affect our financial condition and results of operations. Issues such as imposition of license fee on IP1s or similar new taxes; issuance of guidelines impacting TowerCo business model and adverse outcome on litigation(s) could lead to significant financial exposure.

Emerging risks due to unforeseen disruptions

2020-21 saw a major global event in the form of COVID-19 outbreak, which is affecting global economies, companies financially and operationally apart from affecting the human capital in an unprecedented manner. Such unforeseen disruptions can disrupt supply chains, productivity, etc. and risk overall financial health and capital of the Company.

Changes in Regulatory Environment

Despite huge improvements, the regulatory environment in India continues to be challenging. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. Any adverse regulatory changes, changes in taxation and policies may affect the profitability outlook of the Company.

Natural Disasters Damaging Telecom Networks

The Company's telecom networks are subject to risks from natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Such 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 our customers under most circumstances.

Financial health of operators

Our business and growth prospects mainly depend on demand from operators. Shut down or deterioration in their financial health due to increased competition, adverse regulatory regime, general economic conditions, policy changes etc. can affect their ability to pay for infrastructure services, which in turn could adversely affect company's revenues and financial condition.

Energy margin erosion as a result of operators shifting to pass-through model

OpCos opting for energy pass-through model could result in energy margin erosion and slowdown in realization of energy vision.

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 keeping in mind disruptive ICT technology (leading to obsolescence of telecom towers)/ policy initiatives (5G/ IoT / Digitization) or inability to deliver new products profitably.

We don't foresee any risk in near future and the Company keeps assessing all the new technology advancements in the sector for better understanding and preparedness.

Internal Control System

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. While we boast of having telecom industry's best talent in the Company, our aim is to sustain our fervor as an employer of choice for prospective employees and provide an enriching career to them. We enabled the nation to remain connected even amidst adversities and the challenges posed by the recent COVID-19 pandemic. It is the commitment and dedication of our employees that help us to address challenges and remain motivated to overcome every obstacle on our way. Our human capital has, therefore, played a pivotal role in shaping Indus Towers into what we are today.

Indus Towers has been named as one of The Gallup's Exceptional Workplace. This is a testament to our vision of transforming lives by enabling communication. Indus Towers has led the way and demonstrated how putting people front and center of their organizational initiatives can lead to achieving higher levels of business performance. For a young organization like Indus Towers, which operates in the B2B space, defining and percolating an organization wide culture and becoming an employer of choice are two important and interrelated aspects. During our journey, we have realized that the first step in creating an employer brand is to define and articulate the culture which proves to be a differentiating factor for external and internal employees.

Connecting and engaging with nearly 3,442 employees spread across our 22 circles has become possible through our constant communication especially in the third quarter. Communication on changes within the organization on account of merger to revised employee-related policies, from wellbeing initiatives to quizzes and workshops, it 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 use it to our advantage to make processes simpler and more efficient. Our shift to the acclaimed Oracle Recruiting cloud has enabled us to digitize the recruitment process completely.

Demographic and technological shifts have made it even more important for people to remain 'fit for the future', both as professionals and as individuals. We constantly organize various learning and development initiatives for our employees. Due to the pandemic, adapting to new methods of working emerged as the need of the hour. During the year under review, we migrated from classroom learning to a technology driven approach, through a virtual platform - Oracle Learning Cloud (OLC). We continued partnership with Lynda - LinkedIn Learning last year. Through such digital learning platform, employees are able to access world class content on the go. During the year under review, we introduced various new courses such as Mod 0 in 8 regional languages, 25 Ready Behavioural Courses and more than 15 Technical Webinars, creating a repository of more than 100 online modules of Behavioural and Functional/ Technical training. To ensure employee safety at workplace, every new employee is required to undergo mandatory safety training and existing employees have to undergo annual refresher training. 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 Towers, employee well-being and safety has always been a priority. In order to ease anxiety and offer support during the pandemic, we planned various initiatives to ensure the safety of our employees and their family members. A cross functional leadership team (CSC- COVID-19 Steering Committee) was formed and spearheaded by the MD & CEO. Additional health insurance for COVID-19 was offered to employees and the Company continuously monitored and tracked COVID-19 cases on a daily basis to provide adequate support of the Company. PPE kits were provided and arranged travel passes for field employees to ease their movement and ensure their safety.

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 talent not only for office-based roles but also in the field. Despite being an Engineering and hardcore technical organization, where availability of diverse talent is limited, share of women in our total employee population is 6.4% and we are determined to improve this year on year. With focused efforts on hiring viz. minimum 30% of all CVs shared for a role to be women candidates, extra mark up to search partners for closing a position with diversity candidates and special building a pipeline through internal referrals, we are sure to improve our overall diversity number in the years to come.

Continuing our efforts to ensure a conducive and safe environment for women employees, we have a mandatory training on POSH added to our online learning module, which needs to be completed by all employees within a month of joining. We also have a neutral Internal Complaints Committee, which investigates and takes appropriate action on any concerns related to harassment raised by employees. Apart from this, many engagement initiatives are planned and calendarized for D&I. This year, our MD, Mr. Bimal Dayal, launched the I-WIN network on Women's day, which is a Pan Indus women's network focused on networking, learning and growing. This was followed by a week-long celebration of Embracing Diversity, focused at holistic well-being of our employees. The week included virtual sessions on physical, legal and financial well-being of women, self-defense, contests and quizzes and an open house with leadership.

Report on Corporate Governance

Good corporate governance, it is about being proper and prosper.

Governance Philosophy

Our Corporate Governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Integrity and transparency are key to our Corporate Governance practices and performance, and we ensure that we gain and retain the trust of stakeholders at all times. Our guiding principles and practices are summarized in this Corporate Governance Report. These are articulated through the Company's Code of Conduct, charters of various committees of the Board and Company's disclosure policies. These policies seek to focus on enhancement of long-term stakeholders' value without compromising on Ethical Standards and Corporate Social Responsibilities. We consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, other material events as well as the leadership and governance of the Company.

The Board of Directors of the Company ('Board') is at the core of our Corporate Governance practice and oversees and ensures that the management serves and protects the long-term interests of all our stakeholders.

We believe in adopting the well accepted Corporate Governance practices, benchmark the same to the best governed companies and strive to improve them continuously. Our Corporate Governance philosophy and practices are based on the following principles:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decision on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High level of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Formation of various committees like Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Stakeholders' Relationship Committee and Corporate Social Responsibility Committee to oversee specific areas and focus on diverse matters;
- Ensuring complete and timely disclosure of relevant operational information to enable the Board to play an effective role in guiding strategy;
- Meeting of Independent Directors without the presence of any Non-Independent Directors or representative of Management to identify areas where they need more clarity or information and put them before the Board;
- Regularly reviewing and establishing effective meeting practices that encourage active participation and contribution of all the Board members;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of the affairs of the Company at all times;
- Providing the Board members an unrestricted access to all Company-related information.

Governance Structure

Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. The Corporate Governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic supervision and direction – At the apex level are the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgment in overseeing management's performance on behalf of the shareholders and other stakeholders and hence, play a vital role in the oversight and management of the Company;

b) Control and implementation – by the Company's Management Committee, chaired by the Managing Director & Chief Executive Officer. The MD & CEO is responsible for executing corporate strategy in consultation with the Board, brand equity, planning, external contacts and overall business performance and management of the Company. He is supported by the Management Committee. This team owns and drives company-wide processes, systems and policies and meets regularly to review execution of business strategy and ensures that operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;

c) Operations management – The Company's operations run in all 22 Circles in India, divided into four different regions. Each circle is headed by a CBH/CCEO and is supported by the Regional Director of their respective regions, 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.

Credit Rating

Post-merger, CRISIL Limited and ICRA Limited migrated its ratings of erstwhile Indus Towers Limited to the Company. 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.

Board of Directors

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.

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. During the year, upon effectiveness of the merger of erstwhile Indus Towers Limited with the Company, the Board of the Company was re-constituted w.e.f. conclusion of the Board meeting held on November 19, 2020. The re-constituted Board conforms to the provisions of the Companies Act, 2013, Listing Regulations, terms of shareholders' agreement and other statutory provisions. As on March 31, 2021, the Board comprised 12 members with a Non-Executive Independent Chairman, a Managing Director & Chief Executive Officer, besides 7 Non-Executive Non-Independent Directors and 3 Non-Executive Independent Directors, of which two are women directors. An independent director is the chairperson of each of the Board committees – namely Audit & Risk Management Committee, HR, Nomination and Remuneration Committee, Corporate Social Responsibility Committee 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.

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	Particulars
Strategic Planning and Leadership Skills	• Ability to think strategically and to identify and critically assess opportunities and threats and develop effective strategies in the context of objectives of the Company's relevant policies and priorities. • Appreciation of long-term trends, understanding diverse business environment, regulatory framework, economic and political conditions, strategic choices and experience in guiding and leading management teams
Financial and Risk Management	• Wide-ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control • Identification of key risks to the Company and monitoring the effectiveness of the risk management framework and practices
Governance	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
HR, Health, safety, environment and sustainability	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
Industry and sector experience or knowledge	Knowledge and experience in telecom sector to provide strategic guidance to the management
Technology and digital expertise	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	√	√	√	√	√	√
Mr. Bimal Dayal	√	√	√	√	√	√
Ms. Anita Kapur	√	√	√	√	√	
Mr. Balesh Sharma	√		√	√	√	√
Mr. Gopal Vittal	√		√		√	√
Mr. Harjeet Kohli	√	√	√		√	
Mr. Rajan Bharti Mittal	√	√	√	√	√	√
Mr. Randeep Singh Sekhon	√		√		√	√
Mr. Ravinder Takkar	√		√		√	√
Mr. Sharad Bhansali	√		√	√		
Ms. Sonu Bhasin	√		√	√		
Mr. Thomas Reisten	√	√	√	√	√	√

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 i.e. 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, rules made thereunder and Listing Regulations and are independent of the management.

Lead Independent Director

The Company, since a long time, has followed the practice of appointing a Lead Independent Director. Mr. Narayanan Kumar, Chairman of the Board, is the Lead Independent Director. His roles and responsibilities as the lead independent director, inter alia, are to:

- preside over all the meetings of Independent Directors;
- ensure that there is adequate and timely flow of information between the management and the Board;
- provide objective and constructive feedback of the Independent Directors as a group to the Board on various matters including agenda and other matters relating to the Company;

- Perform such other roles as may be requested from time to time by the Board/ Independent Directors.

Meetings of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of Non-Independent Directors or representatives of the management. They meet to discuss and form an independent opinion on the agenda items and various other Board-related matters, identify areas where they need clarity or information from the Management, 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 2020-21, the Independent Directors met five times on April 23, 2020; July 27, 2020; October 22, 2020; January 28, 2021; and March 23, 2021.

Familiarization Programme for Board Members

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining to provide them with an opportunity to familiarize themselves with the Company, its management, its operations, and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and includes site visits to understand the operations and technology. Apart from the induction program, the Company periodically presents update at the Board/Committee meetings to familiarize the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources, and other related matters.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. is also given to the Directors. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

Business updates on relevant changes and regulatory updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

The details of such familiarization programs are disclosed on the website of the Company at https://www.industowers.com/wp-content/themes/indus/pdf/Familiarization-Programme.pdf .

Board 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 2021- 22 has been uploaded on the Company's website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. Additional Board meetings are called, in case of an urgent necessity.

The Audit & Risk Management Committee, Corporate Social Responsibility Committee, HR, Nomination and Remuneration Committee and Stakeholders' Relationship Committee meetings are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairperson of the respective Committee briefs the Board about the proceedings of the respective Committee meetings.

The Company Secretary, in consultation with the Chairperson, prepares Board and Committee meetings' agendas. The detailed agenda along with explanatory notes and annexures, as applicable, are sent to the Board and Committee members at least a week before the meeting except for meetings called at a shorter notice. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item' with the permission of the Chairperson and consent of all Board members/ Committee members. Sensitive subject matters are discussed at the meeting without written material being circulated in advance. Every Board member can suggest the inclusion of additional items in the agenda.

The Board members are rigorously prepared for the meetings and they actively participate in all the meetings. The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, Corporate strategy and risk management issues based on the markets it operates in and in light of industry trends and developments to help achieve its strategic goals.

CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates thereon;
- Quarterly and annual consolidated and standalone results & financial statements of the Company;
- Minutes of meetings of the Board and Board Committees, resolutions passed through circulation and Board minutes of the unlisted subsidiary company;
- Information on recruitment or remuneration of senior officers one level below CEO including KMPs;
- Material important show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Human resource updates and strategies;
- Quarterly treasury reports;
- Quarterly compliance certificates with the 'Exceptions Reports', if any, which includes non-compliance of any regulatory or statutory nature or listing requirements and shareholders' service;
- Disclosures and declarations received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions including an independent report on arms' length pricing;
- Regular business updates;
- Update on Corporate Social Responsibility activities;
- Report on action taken on last Board meeting decisions;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Number of Board Meetings

During the Financial Year 2020-21, the Board met 10 times i.e. on April 23, 2020; June 3, 2020; June 24, 2020; July 27, 2020; August 31, 2020; October 22, 2020; November 19, 2020; November 20, 2020; January 12, 2021 and January 28, 2021. The Board approved 2 matters through resolution by circulation during Financial Year 2020-21 and the text of the resolutions approved were presented in the next meetings 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] Chairman	Member	No. of Meetings held during his/her tenure and attended Held	Attended	Whether attended last AGM
Board composition as on March 31, 2021								
Mr. N Kumar (DIN- 00007848)	Chairman-Independent Director	11	1) Take Solutions Limited – Independent Director 2) Entertainment Network (India) Limited – Independent Director 3) Larsen and Toubro Limited – Independent Director 4) L&T Technology Services Limited – Independent Director 5) Mphasis Limited – Independent Director	4	2	10	10	Yes
Ms. Anita Kapur (DIN-07902012)	Independent Director	2	Nil	Nil	2	10	10	Yes
Mr. Balesh Sharma[3] (DIN-07783637)	Non-Executive Director	Nil	Nil	Nil	Nil	3	2	NA
Mr. Bimal Dayal[4] (DIN- 08927887)	Managing Director & CEO	1	Nil	Nil	Nil	4	4	NA
Mr. Gopal Vittal[3] (DIN- 02291778)	Non-Executive Director	3	Bharti Airtel Limited-MD & CEO	Nil	1	3	3	NA
Mr. Harjeet Kohli[3] (DIN- 07575784)	Non-Executive Director	10	Nil	1	1	3	3	NA
Mr. Rajan Bharti Mittal (DIN-00028016)	Non-Executive Director	14	Nil	2	Nil	10	10	Yes
Mr. Randeep Singh Sekhon[3] (DIN-08306391)	Non-Executive Director	1	Nil	Nil	Nil	3	2	NA
Mr. Ravinder Takkar[3] (DIN- 01719511)	Non-Executive Director	2	Vodafone Idea Limited-MD& CEO	Nil	1	3	3	NA

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[3] (DIN- 08964527)	Independent Director	Nil	Nil	Nil	Nil	3	3	NA
Ms. Sonu Bhasin[3] (DIN- 02872234)	Independent Director	5	1. Whirlpool of India Limited- Independent Director 2. Sutlej Textiles and Industries Limited- Independent Director 3. Berger Paints India Limited- Independent Director	1	2	3	3	NA
Mr. Thomas Reisten[3] (DIN- 06900067)	Non-Executive Director	Nil	Nil	Nil	Nil	3	2	NA
Board members who ceased to be the directors during the year								
Mr. Akhil Gupta[6] (DIN-00028728)	Chairman-Executive Director	NA	NA	NA	NA	7	7	Yes
Mr. Bharat Sumant Raut[6] (DIN-00066080)	Independent Director	NA	NA	NA	NA	7	7	Yes
Mr. D S Rawat[5] (DIN-06798626)	Managing Director & CEO	NA	NA	NA	NA	4	4	Yes
Mr. Jitender Balakrishnan[6] (DIN-00028320)	Independent Director	NA	NA	NA	NA	7	7	Yes
Dr. Leena Srivastava[6] (DIN-00005737)	Independent Director	NA	NA	NA	NA	7	4	Yes

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] Chairman	Member	No. of Meetings held during his/her tenure and attended Held	Attended	Whether attended last AGM
Mr. R P Singh[6] (DIN-02943155)	Independent Director	NA	NA	NA	NA	7	7	Yes
Mr. Tao Yih Arthur Lang[6] (DIN-07798156)	Non-Executive Director	NA	NA	NA	NA	7	7	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 (formerly Bharti Infratel Limited). Also, for the purpose of counting the total number of directorship in listed entities, those entities are considered whose equity shares are listed on a stock exchange.
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 (formerly Bharti Infratel Limited). Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
3. Mr. Balesh Sharma, Mr. Gopal Vittal, Mr. Harjeet Singh Kohli, Mr. Randeep Singh Sekhon, Mr. Ravinder Takkar and Mr. Thomas Reisten were appointed as Non-Executive Non-Independent Directors and Ms. Sonu Bhasin and Mr. Sharad Bhansali were appointed as Independent Directors w.e.f. conclusion of the Board meeting held on November 19, 2020.
4. Mr. Bimal Dayal was appointed as Managing Director & CEO w.e.f. January 8, 2021 with the approval of shareholders. Previously, during the year, he was appointed as Managing Director of the Company w.e.f. October 22, 2020 up till the effective date of merger of erstwhile Indus Towers with the Company i.e. November 19, 2020.
5. Mr. D S Rawat ceased to be the Managing Director & CEO w.e.f. August 3, 2020.
6. Mr. Akhil Gupta, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Dr. Leena Srivastava, Mr. Rajinder Pal Singh and Mr. Tao Yih Arthur Lang ceased to be the directors w.e.f. conclusion of the Board meeting held on November 19, 2020.

Notes:

• There are no inter-se relationships between our Board members.

• As on March 31, 2021, none of the Directors of the Company holds shares in the Company.

Remuneration of Directors

The details of the remuneration of Directors during FY 2020-21 are given below:

₹

Name of the Director(s)	Salary and Allowances[1]	Performance Linked Incentive	Special Bonus	Perquisites[2]	Commission	Total
Executive Directors						
Mr. Akhil Kumar Gupta[3]	43,914,044	34,379,211	210,000,000	25,190	-	**288,318,445**
Mr. D S Rawat[4]	8,252,840	16,985,666	-	-	-	**25,238,506**
Mr. Bimal Dayal[5]	10,608,787	-	-	-	-	**10,608,787**
Non-Executive Directors						
Ms. Anita Kapur[6]	-	-	-	-	1,875,000	1,875,000
Mr. Bharat Sumant Raut[7]	-	-	-	-	3,000,000	3,000,000
Mr. Jitender Balakrishnan[7]	-	-	-	-	2,625,000	2,625,000
Dr. Leena Srivastava[7]	-	-	-	-	2,625,000	2,625,000
Mr. N Kumar[6]	-	-	-	-	2,000,000	2,000,000
Mr. Rajan Bharti Mittal[6&8]	-	-	-	-	562,500	562,500
Mr. Rajinder Pal Singh[7]	-	-	-	-	2,625,000	2,625,000
Mr. Sharad Bhansali[6]	-	-	-	-	687,500	687,500
Ms. Sonu Bhasin[6]			-		687,500	687,500
Mr. Tao Yih Arthur Lang[9]	-	-	-	-	562,500	562,500
Total	**62,775,671**	**51,364,877**	**210,000,000**	**25,190**	**17,250,000**	**341,415,738**

1. The salary and allowance include the Company's contribution to the Provident Fund.
2. This does not include perquisite value with respect to exercise of stock options granted to Mr. D S Rawat.
3. Mr. Akhil Gupta- Executive Chairman resigned w.e.f. conclusion of the Board meeting held on November 19, 2020. The remuneration in the above table does not include his retiral benefits of ₹ 50,488,117 and the compensation for loss of his office of ₹ 249,225,866.
4. Mr. D S Rawat resigned w.e.f. August 3, 2020. The remuneration in the above table does not include perquisite value with respect to exercise of stock options of ₹ 8,153,134, his retiral benefits of ₹ 10,053,051 and ex-gratia of ₹ 31,763,883.
5. Mr. Bimal Dayal was appointed as CEO w.e.f. November 19, 2020 and Managing Director & CEO of the Company w.e.f. January 8, 2021 with approval of shareholders. His remuneration reported above is w.e.f. November 19, 2020. Previously, during the year, he was appointed as Managing Director w.e.f. October 22, 2020 up till the date of merger of erstwhile Indus Towers with the Company i.e. November 19, 2020 without any remuneration. The above remuneration does not include leave encashment of ₹ 4,264,800 and exgratia payout of ₹ 101,980 as entitled from the transferor company and paid post merger.
6. Provision for profit-based commission for Financial Year 2020-21.
7. Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Dr. Leena Srivastava and Mr. Rajinder Pal Singh, Independent directors resigned w.e.f. conclusion of Board meeting held on November 19, 2020. The directors were paid pro-rated commission as per the Policy on Nomination, Remuneration and Board Diversity and an additional one-time commission of ₹ 1,500,000 (Rupees Fifteen Lakh Only) each as a token of appreciation for their tenure on the Board.
8. Mr. Rajan Bharti Mittal, Non-Executive Non-Independent Directors was entitled to commission up till November 20, 2020 as per the revised Policy on Nomination, Remuneration and Board Diversity.
9. Mr. Tao Yih Arthur Lang resigned w.e.f. conclusion of the Board meeting held on November 19, 2020.

Notes:

- Revised Policy on Nomination, Remuneration and Board Diversity has a provision to pay commission w.e.f. November 20, 2020 to Independent Directors only. Accordingly, during Financial Year 2020-21 no commission is paid/ payable to Mr. Balesh Sharma, Mr. Gopal Vittal, Mr. Harjeet Singh Kohli, Mr. Randeep Singh Sekhon, Mr. Ravinder Takkar and Mr. Thomas Reisten who were appointed as Non-Executive Non-Independent Directors w.e.f. conclusion of the Board meeting held on November 19, 2020.

- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, Mr. Bimal Dayal was granted 52,306 stock options on January 28, 2021 under ESOP Scheme 2014 of the Company at an exercise price of ₹ 10 per option, with vesting period spread over 2 years. The options can be converted into equity shares either in full or in tranches at any time upto seven years from the date of vesting. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period. No other Director has been granted any stock option during the year.
- The appointment of Executive Directors is by virtue of their employment / contract of service with the Company and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.
- Performance Linked Incentive (PLI) is based on the actual payout made during the year.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- During Financial Year 2020-21, the Company did not pay any sitting fees to the Directors.
- The Company had entered into contracts with the executive directors i.e. Mr. Akhil Gupta dated July 24, 2018, Mr. D S Rawat dated August 3, 2020 and Mr. Bimal Dayal dated January 8, 2021. These are based on the approval of the shareholders. There are no other contracts with any other director.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is intended to set out criteria for remuneration of the directors, Key Managerial Personnel, senior management, and other employees of the Company in accordance with the goals of the Company.

The criteria of making payments to Non-Executive Independent Directors forms part of the Policy on Nomination, Remuneration and Board Diversity. The detailed Nomination, Remuneration and Board Diversity Policy is annexed as **Annexure B** to the Board's Report.

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.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website https://www.industowers.com/investor/corporategovernance/ and are also stated herein.

Audit & Risk Management Committee

Name : Anita Kapur

Designation : Chairperson

As on March 31, 2021, Audit & Risk Management Committee comprised 6 Directors, 4 being Independent Directors and 2 being Non-Executive Directors. Mr. Bharat Sumant Raut was the Chairperson of the Committee up till the effective date of merger of erstwhile Indus Towers with the Company i.e. November 19, 2020 thereafter, Ms. Anita Kapur has been appointed as the Chairperson of the Committee. The Chairperson of the Audit & Risk Management Committee has sound financial knowledge as well as many years of experience in general management. All members of Audit & Risk Management Committee, including the Chairperson, have accounting and financial management expertise. The composition of the Audit & Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary of the Company acts as the secretary to the Committee. The Managing Director & CEO, Chief Financial Officer, the Statutory Auditors and the Internal Auditor are permanent invitees of Audit & Risk Management Committee.

The former Chairman of the Audit & Risk Management Committee, Mr. Bharat Sumant Raut was present at the last Annual General Meeting held on August 3, 2020.

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.

- Mandatorily review the following information:

  (i) Management discussion and analysis of financial condition and results of operations;

  (ii) Statement of significant related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price;

  (iii) Management letter/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 the stock exchange(s) in terms of Regulation 32(1);
    - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7)

- 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 the performance of statutory and internal auditors, adequacy of 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 other functions, as defined 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.

Risk Management Related

- Formulate and review risk management policy;
- Implement, monitor and review the risk management framework, the risk management plan and related matters;
- Take adequate steps for ensuring cyber security;
- Delegate above said authorities to sub-committees, whenever required.

Powers of the Audit & Risk Management Committee:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;

Meeting, Attendance and Composition of the Audit & Risk Management Committee

During Financial Year 2020-21, the Audit & Risk Management Committee met 7 times i.e. on April 23, 2020; July 27, 2020; October 22, 2020, November 19, 2020, November 20, 2020, January 12, 2021 and January 28, 2021. The time gap between two meetings was less than 120 days.

All recommendations made by the Audit & Risk Management Committee were accepted by the Board.

The Committee approved 1 matter through resolution by circulation during Financial Year 2020-21 and the same was presented in the next meeting for its noting.

The composition of the Committee as on March 31, 2021 and the attendance of members at the meetings held during Financial Year 2020-21 are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Composition as on March 31, 2021			
Ms. Anita Kapur-Chairperson[3]	Independent Director	7	7
Mr. Harjeet Kohli[1]	Non-Executive Director	3	3
Mr. N Kumar[1]	Independent Director	3	3
Mr. Sharad Bhansali[1]	Independent Director	3	3

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Ms. Sonu Bhasin[1]	Independent Director	3	3
Mr. Thomas Reisten[1]	Non-Executive Director	3	2
Directors who ceased to be members during the year			
Mr. Bharat Sumant Raut[2&3]	Independent Director	4	4
Mr. Jitender Balakrishnan[2]	Independent Director	4	4
Mr. Rajinder Pal Singh[2]	Independent Director	4	4

1. Mr. Harjeet Kohli, Mr. N Kumar, Mr. Sharad Bhansali, Ms. Sonu Bhasin and Mr. Thomas Reisten were appointed as members of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
2. Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan and Mr. Rajinder Pal Singh ceased to be the members of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
3. Mr. Bharat Sumant Raut ceased to be the Chairman of the Committee and Ms. Anita Kapur was appointed as Chairperson of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.

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 2020-21 of which it is a part -

(in ₹)

Fees paid by Indus Towers Limited (formerly Bharti Infratel Limited)	12,540,000
Fees paid by Smartx Services Limited	618,125
Total Fees paid*	**13,158,125**

*Total fees paid to statutory auditors includes the fees paid/payable for all the services by the Company and its subsidiary for FY 2020-21.

HR, Nomination and Remuneration Committee

Name : Sharad Bhansali

Designation : Chairperson

As on March 31, 2021, the HR, Nomination and Remuneration Committee comprised 4 Non-Executive Directors, of whom 2 members are Independent Directors. Mr. N Kumar was the Chairperson of the Committee up till the effective date of merger of erstwhile Indus Towers with the Company i.e. November 19, 2020, thereafter, Mr. Sharad Bhansali has been appointed as the Chairperson of the Committee. The composition of the Committee meets the requirements of Section 178 of the Act and the Listing Regulations. The Company Secretary of the Company acts as the secretary of the Committee. The Chief Human Resource Officer is the permanent invitee to the Committee meetings. Other senior management members are also being invited to the meeting to present reports relating to the items to be discussed at the meeting.

The former Chairman of the HR, Nomination and Remuneration Committee, Mr. N Kumar was present at the last Annual General Meeting held on August 3, 2020.

Key Responsibilities of the HR, Nomination and Remuneration Committee, inter-alia, includes:

HR Related:

- Attraction and Retention strategies for employees;
- Formulation and recommendation to the Board, a policy relating to remuneration of directors, key managerial personnel and other employees;

- Determine the compensation (including salaries and salary adjustments, incentives/benefits, bonuses) and Performance targets of the Chairman and of the Managing Directors & CEOs;
- Review employee development strategies;
- Assess the learning and development needs of the directors and recommend learning opportunities which can be used by them to meet their needs for development;
- Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- Review all human resource related issues including succession plan of key personnel;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Approve the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

ESOP Related:

- Formulation of ESOP plans and decide on future grants from time to time;
- Formulation of terms and conditions under the present ESOP Schemes of the Company with respect to:
  - (i) Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan;
  - (ii) Performance conditions attached to any ESOP Plan;
  - (iii) Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - (iv) Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (v) Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee;
  - (vi) Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (vii) Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - (viii) Grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;
  - (ix) Any other matter which may be relevant for administration of ESOP schemes from time to time.
- Frame suitable policies and processes to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Other key issues as may be referred by the Board.

Nomination Related:

- Formulate the criteria / policy for appointment of directors, senior management which shall, inter-alia include qualifications, positive attributes and independence of a director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees;
- Identify and recommend to the board persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and their removal thereof;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for particular appointment;
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman, Managing Director and CEO;
- Recommend suitable candidate for the role of Lead Independent Director;

- Recommend the appointment of any director to executive or other employment/place of profit in the Company;
- Formulate the criteria for evaluation of performance of independent directors and Board of Directors;
- Devise policy on diversity of Board of Directors;
- Decide whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors;
- Conduct an annual evaluation of overall effectiveness of the Board, the committees of the Board and the performance of each director.

The HR, Nomination and Remuneration Committee shall also consider any other key issues/ matters as may be referred by the Board or as may be stipulated under any law, rule or regulation including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Meeting, Attendance and Composition of the HR, Nomination and Remuneration Committee

During Financial Year 2020-21, the HR, Nomination and Remuneration Committee met 6 times i.e. on April 23, 2020; July 27, 2020; October 22, 2020, November 19, 2020, November 20, 2020 and January 28, 2021.

The Committee approved 4 matters through resolution by circulation during Financial Year 2020-21. The text of the resolutions so approved were presented in the next meeting for noting.

The composition of the Committee as on March 31, 2021 and the attendance of members at the meetings held during Financial Year 2020-21 are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Composition as on March 31, 2021			
Mr. Sharad Bhansali-Chairman[1&3]	Independent Director	2	2
Mr. N Kumar[3]	Independent Director	6	6
Mr. Rajan Bharti Mittal	Non-Executive Director	6	6
Mr. Ravinder Takkar[1]	Non-Executive Director	2	2
Directors who ceased to be members during the year			
Dr. Leena Srivastava[2]	Independent Director	4	3
Mr. Tao Yih Arthur Lang[2]	Non-Executive Director	4	4

1. Mr. Sharad Bhansali and Mr. Ravinder Takkar were appointed as members of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
2. Dr. Leena Srivastava and Mr. Tao Yih Arthur Lang ceased to be the members of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
3. Mr. N Kumar ceased to be the Chairman of the Committee and Mr. Sharad Bhansali, was appointed as a Chairman of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.

Board Evaluation

In compliance with the provisions of the Act and the Listing Regulations, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and Managing Director & CEO.

The process provides that the performance evaluation shall be carried out on an annual basis. For the year, the Directors completed the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and MD & CEO. The evaluation process was facilitated by an independent leading consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors including the Independent Directors, was evaluated on parameters such as standards of ethics and integrity, participation and contribution, responsibility towards stakeholders and independent judgement.

The Chairman and Managing Director & CEO were evaluated on certain additional parameters such as performance of the Company, leadership, relationships and communications.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Fulfillment of independence criteria as specified in the listing regulations and is independent from the management and act in the best interests of all the stakeholders.
- Bring external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation survey and review was carried out through a peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the meetings of Independent Directors, respective Committees and in the Board Meeting held on April 22, 2021. 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. The Board noted that evaluation has been done by the Board members based on limited interaction and meetings as the Board was reconstituted on November 19, 2020 upon effectiveness of the merger of erstwhile Indus Towers Limited with the Company. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness.

Stakeholders' Relationship Committee

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Act, the Company has a Stakeholders' Relationship Committee. As on March 31, 2021, the Committee comprised 4 members, all being Non-Executive Directors, out of whom 2 are Independent Directors.

Mr. Rajan Bharti Mittal was the Chairperson of the Committee up till the effective date of merger of erstwhile Indus Towers with the Company i.e. November 19, 2020 thereafter, Ms. Anita Kapur has been appointed as the Chairperson of the Committee. The Company Secretary of the Company acts as a secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, includes:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc;
- Dematerialize or rematerialize the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company;
- Issue duplicate share/other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve, register, and refuse to register transfer/ transmission of shares and other securities;
- Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- Oversee & review, all matters connected with the transfer of securities of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- Recommend methods to upgrade the standard of services to the investors;
- Deal with the unclaimed / undelivered shares of the Company;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
- Do all such acts, deeds and things as may be necessary in this regard.

Apart from the quarterly meetings, the meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests/ grievances are redressed within a stipulated time period.

Meeting, Attendance and Composition of the Stakeholders' Relationship Committee

During Financial Year 2020-21, the Stakeholders' Relationship Committee met 6 times i.e. on April 23, 2020; June 3, 2020, July 27, 2020; September 1, 2020; October 22, 2020 and January 28, 2021.

The composition of the Committee as on March 31, 2021 and the attendance of members at the meetings held during Financial Year 2020-21, are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Composition as on March 31, 2021			
Ms. Anita Kapur-Chairperson[2]	Independent Director	6	5
Mr. Balesh Sharma[1]	Non-Executive Director	1	1
Mr. Rajan Bharti Mittal[2]	Non-Executive Director	6	5
Mr. Sharad Bhansali[1]	Independent Director	1	1
Directors who ceased to members during the year			
Mr. Akhil Gupta[3]	Executive Director	5	5
Mr. Bimal Dayal[4]	Executive Director	0	0
Mr. D S Rawat[5]	Executive Director	3	2

1. Mr. Balesh Sharma and Mr. Sharad Bhansali were appointed as members of the Committee w.e.f. conclusion of Board meeting held on November 19, 2020.
2. Mr. Rajan Bharti Mittal ceased to be the Chairman of the Committee and Ms. Anita Kapur was appointed as a Chairperson of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
3. Mr. Akhil Gupta ceased to be member of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
4. Mr. D S Rawat ceased to be a member of the Committee w.e.f. August 3, 2020.
5. Mr. Bimal Dayal was appointed as member of Stakeholders' Relationship Committee w.e.f. October 22, 2020 and he ceased to be the member of the committee w.e.f. conclusion of the Board meeting held on November 19, 2020.

Compliance Officer

Ms. Samridhi Rodhe acted as the Company Secretary & Compliance Officer of the Company for the Financial Year 2020-21 for complying with the requirements of the Listing Regulations and applicable laws.

Nature of Complaints and Redressal Status

During Financial Year 2020-21, 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 2020-21 are as follows:

Type of complaint	Received	Redressed	Pending as on March 31, 2021
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	0	0	Nil
Non-receipt of dividend	1	1	Nil
Miscellaneous	0	0	Nil
Total	**1**	**1**	**Nil**

To redress investor grievances, the Company has a dedicated e-mail id, compliance.officer@industowers.com to which investors may send their grievances.

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Board had formed a functional Committee known as the Committee of Directors. The said Committee met as and when necessary to cater to the day-to-day requirements of the Company. However, with the effectiveness of merger of erstwhile Indus Towers Limited with the Company, the Committee of Directors was dissolved w.e.f. conclusion of the Board meeting held on November 19, 2020.

Meeting, Attendance and Composition of the Committee of Directors

During Financial Year 2020-21, the Committee met 5 times i.e. on April 23, 2020; May 26, 2020; July 31, 2020; September 2, 2020 and November 19, 2020.

The Committee of Directors stood dissolved w.e.f. conclusion of the Board meeting held on November 19, 2020 and therefore, there is no functioning Committee of Directors as on March 31, 2021. However, the attendance of members at the meetings held during Financial Year 2020 -21 are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. Akhil Gupta-Chairman	Executive Director	5	5
Mr. D S Rawat[1]	Executive Director	3	3
Mr. Rajan Bharti Mittal	Non-Executive Director	5	5
Mr. Bimal Dayal[2]	Executive Director	1	0

1Mr. DS Rawat ceased to be a member of the Committee w.e.f. August 3, 2020.
2 Mr. Bimal Dayal was appointed as a member of the Committee w.e.f. October 22, 2020.

Corporate Social Responsibility (CSR) Committee

Name : Sonu Bhasin

Designation : Chairpeson

In compliance with the requirements of the Act, the Company has constituted the Corporate Social Responsibility (CSR) Committee.

As on March 31, 2021, the Committee comprised 4 members of whom 2 are Independent Directors and 2 are Non- Executive Directors. Mr. N Kumar was the Chairman of the Committee up till the date of merger i.e. November 19, 2020 thereafter, Ms. Sonu Bhasin has been appointed as 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 positively impacts the society at large with a minimal resource footprints. The Policy is posted on the website of the Company and can be accessed at https://www.industowers.com/wp-content/themes/indus/pdf/CSR-Policy.pdf.

Meeting, Attendance and Composition of the Corporate Social Responsibility (CSR) Committee

During Financial Year 2020-21, the CSR Committee met 4 times i.e. on April 23, 2020; July 27, 2020; October 22, 2020 and January 28, 2021.

The Committee approved 3 matters through resolution by circulation during Financial Year 2020-21 and the texts of the resolutions passed by circulation were presented in the next meeting for noting.

The composition of the Committee as on March 31, 2021 and the attendance of the members at the meetings held during Financial Year 2020-21, are given below:

Name of Members	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Composition as on March 31, 2021			
Ms. Sonu Bhasin-Chairperson[1&2]	Independent Director	1	1
Mr. N Kumar[2]	Independent Director	4	4
Mr. Rajan Bharti Mittal	Non-Executive Director	4	4
Mr. Ravinder Takkar[1]	Non-Executive Director	1	1
Directors who ceased to members during the year			
Mr. Bimal Dayal[3]	Executive Director	0	0
Mr. D S Rawat[4]	Executive Director	2	2
Dr. Leena Srivastava[5]	Independent Director	3	3

1. Mr. Ravinder Takkar and Ms. Sonu Bhasin were appointed as members of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
2. Mr. N Kumar ceased to be the Chairman of the Committee and Ms. Sonu Bhasin was appointed as a Chairperson of the Committee conclusion of the Board meeting held on November 19, 2020.
3. Mr. Bimal Dayal was appointed as member of CSR Committee w.e.f. October 22, 2020 and he ceased to be the member of the committee w.e.f. conclusion of the Board meeting held on November 19, 2020.
4. Mr. DS Rawat ceased to be the member of the Committee w.e.f. August 3, 2020.
5. Dr. Leena Srivastava ceased to be the member of the Committee w.e.f. conclusion of the Board meeting held on November 19, 2020.

CSR Committee Report for the year ended March 31, 2021

The CSR report for the year ended March 31, 2021 is annexed as **Annexure E** to the Board's Report.

General Body Meetings

The details of last three Annual General Meetings are as follows:

Year	Time, Day, Date & Location	Summary of Special Resolutions
2019-2020	3:30 P.M. IST August 3, 2020 (Monday) Through Video Conferencing	Re-appointment of Mr. Rajinder Pal Singh as an Independent Director of the Company.
2018-2019	12:30 P.M. IST July 23, 2019 (Tuesday) The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana	Re-appointment of Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Dr. Leena Srivastava and Mr. Narayanan Kumar as Independent Directors of the Company.
2017-2018	11:00 A.M. IST July 24, 2018 (Tuesday) The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana	No Special Resolution was passed.

Postal Ballot/ E-Voting

During Financial Year 2020- 21, the following resolutions were passed through Postal Ballot/ E-voting. Currently, there is no proposal for passing any special resolution through Postal Ballot::

A. On November 29, 2020 (Postal Ballot 1):

1) Appointment of Mr. Bimal Dayal (DIN: 08927887), as Director liable to retire by rotation (Ordinary Resolution)

2) Appointment of Mr. Bimal Dayal (DIN: 08927887) as Managing Director of the Company (Ordinary Resolution)

3) Approval of special bonus to Mr. Akhil Gupta – Chairman (DIN: 00028728) (Ordinary Resolution)

Person conducting the Postal Ballot / E-voting

The Company Secretary was appointed as person responsible for postal ballot/ e-voting process. Mr. Devesh Vasisht, Partner of M/s Sanjay Grover & Associates, Company Secretaries, New Delhi (CP No. 3850) was appointed as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner. Mr. Devesh Vasisht conducted the postal ballot/ e-voting process and submitted his report to the Company.

B. On January 8, 2021 (Postal Ballot 2):

1) To approve the amendment in Articles of Association of the Company (Special Resolution)

2) Appointment of Mr. Bimal Dayal (DIN: 08927887), as Director liable to retire by rotation (Ordinary Resolution)

3) Appointment of Mr. Bimal Dayal (DIN: 08927887) as Managing Director & Chief Executive Officer (CEO) of the Company (Ordinary Resolution)

Person conducting the Postal Ballot / E-voting

All the Directors, Chief Executive Officer and Company Secretary were severally authorized as person responsible for postal ballot/ e-voting process. Mr. Harish Chawla, Proprietor, of M/s. Harish Chawla & Associates, 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 report to the Company.

Procedure followed for Postal Ballot/ E-voting

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 Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020 and 33/2020 dated September 28, 2020 ("MCA Circulars"), the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of KFin Technologies Private 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 i.e. October 23, 2020 and December 4, 2020 for Postal Ballot 1 and Postal Ballot 2 respectively. The Company also published notices in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 for both the Postal Ballot/ E-voting activities.

III. Members were requested to follow the instructions for e-voting and could vote from Saturday, October 31, 2020 at 9.00 A.M. (IST) till Sunday, November 29, 2020 at 5.00 P.M. (IST) for Notice of Postal Ballot/ E-voting dated October 22, 2020 (Postal Ballot 1) and could vote from Thursday, December 10, 2020 at 9.00 A.M. (IST) till Friday, January 8, 2021 at 5.00 P.M. (IST) for Notice of Postal Ballot/ E-voting dated November 19, 2020 (Postal Ballot 2).

IV. After due scrutiny of e-voting received up to the close of working hours as mentioned above, scrutinizers had submitted their final reports on December 1, 2020 and January 10, 2021, for Postal Ballot 1 and Postal Ballot 2 respectively.

V. The result of the postal ballot/ e-voting was declared on December 1, 2020 and January 10, 2021 for Postal Ballot 1 and Postal Ballot 2 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 resolutions.

VI. The results 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

Based on the Scrutinizers' Report, the details of voting pattern in respect of the resolutions passed are as under:

Postal Ballot 1

Details of Resolutions	Number of valid Votes	Votes cast in favour of the resolution (no & % age)	Votes cast against the resolution (no & % age)
Appointment of Mr. Bimal Dayal (DIN: 08927887) as Director liable to retire by rotation- Ordinary Resolution	1,762,964,479	1,757,223,637 (99.6744%)	5,740,842 (0.3256%)
Appointment of Mr. Bimal Dayal (DIN: 08927887) as Managing Director of the Company- Ordinary Resolution	1,762,964,499	1,762,962,086 (99.9999%)	2,413 (0.0001%)
Approval of special bonus to Mr. Akhil Gupta – Chairman (DIN: 00028728)- Ordinary Resolution	1,708,118,497	1,659,806,541 (97.1716%)	48,311,956 (2.8284%)

Postal Ballot 2

Details of Resolutions	Number of valid Votes	Votes cast in favour of the resolution (no & % age)	Votes cast against the resolution (no & % age)
To approve the amendment in Articles of Association of the Company- Special Resolution	2,050,408,843	1,983,550,141 (96.7393%)	66,858,702 (3.2607%)
Appointment of Mr. Bimal Dayal (DIN: 08927887), as Director liable to retire by rotation- Ordinary Resolution	2,105,244,030	2,093,581,883 (99.4460%)	11,662,147 (0.5540%)
Appointment of Mr. Bimal Dayal (DIN: 08927887) as Managing Director & Chief Executive Officer (CEO) of the Company- Ordinary Resolution	2,105,244,066	2,065,803,475 (98.1266%)	39,440,591 (1.8734%)

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

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 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. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 41 of the Standalone Financial Statements, forming part of this Integrated Report.

The required statements / disclosures, with respect to the Related Party Transactions, are placed before the Audit & Risk Management Committee, on quarterly basis in terms of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature.

Further, in respect of each half year, the Company submits the disclosure of related party transactions on a consolidated basis to the stock exchange and the same is also placed on the website of the Company.

In terms of the Listing Regulations, Company shall obtain approval of shareholders for material related party transactions i.e. the transaction which individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company. The transactions of the Company entered / to be entered into with Bharti Airtel Limited and Vodafone Idea Limited are material related party transactions for which approval of shareholders have been obtained.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Act and the Listing Regulations. The Policy includes clear threshold limits and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at https://www.industowers.com/wp-content/themes/indus/pdf/Policy-on-Related-Party-Transactions.pdf .

Prevention of Sexual Harassment

Indus Towers' commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions with respect to the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates. Following are the details of sexual harassment cases for Financial Year 2020-21:

1) Number of complaints filed during the Financial Year – 1
2) Number of complaints disposed off during the Financial Year – 1

3) Number of complaints pending as at the end of the Financial Year – 0

Details of Non-compliance of any requirement of corporate governance

There has been no instance of non-compliance of any requirement of corporate governance by the Company.

Details of Non-compliance with regard to Capital Markets during the last three years

There has been no instance of non-compliances by the Company and no penalties and / or strictures has been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

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.

Ombudsman 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 employees' Code of Conduct.

The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit & Risk Management Committee. All employees of the Company as well as external stakeholders having grievance has full access to the Ombudsperson through phones, emails or even meetings in person. No employee is denied access to the Audit & Risk Management Committee. During the year under review, no employee contacted the Audit & Risk Management Committee.

Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management Personnel. The code is available on the Company's website www.industowers.com. 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, 2021, 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. All employees are expected to confirm compliance to the Code annually.

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 F** 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, Practicing Company Secretaries, 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 it monitors its performance, inter alia, by the following ways:

- Financial Statement, in particular the investments made by unlisted subsidiary company, is reviewed quarterly by Company's Audit & Risk Management Committee;
- Minutes of Board Meeting of unlisted subsidiary company is placed before the Company's Board regularly;
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary company is placed before the Company's Board.

The Company does not have any unlisted material subsidiary in terms of the provisions of Listing Regulations. The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at https://www.industowers.com/wp-content/themes/indus/pdf/policy-for-determining-material-subsidiaries-1.pdf .

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 Cand Part D of Schedule V of the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. Deloitte Haskins & Sells, Chartered Accountants, Gurugram, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

Shareholders' Rights and Auditors' Qualification

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors are first submitted to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting under Regulation 30 of Listing Regulations. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website at https://www.industowers.com/investor/results/ .

On the next day of the announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts are posted on the website.

Audit Qualifications

Company's financial statements are unqualified.

Reporting of Internal Auditor

The Internal Auditor/ Internal assurance partners report to the Audit & Risk Management Committee.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Act and as a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send all correspondences / communications through email to those shareholders, who have registered their email id with their depository participants/Company's registrar and share transfer agent. In case, the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend Declared

Status of the unclaimed / unpaid dividend amount is as under:

Financial Year	Dividend	Rate of Dividend per equity share of ₹ 10 each	Total Dividend Amount (₹)(In Mn)	Amount unpaid to the shareholders (₹) (In Mn)
2013-2014	Final	4.40	8,316	0.15
2014-2015	Interim	4.50	8,505	0.16
2014-2015	Final	6.50	12,326	0.14
2015-2016	Final	3.00	5,548	0.12
2016-2017	Interim	12.00	22,195	0.52
2016-2017	Final	4.00	7,398	0.13
2017-2018	Final	14.00	25,894	0.86
2018-2019	1st Interim	7.50	13,872	0.32
2018-2019	2nd Interim	7.50	13,872	0.34
2019-2020	1st Interim	3.65	6,751	0.18
2019-2020	2nd Interim	2.75	5,087	0.17
2019-2020	3rd Interim	4.10	7,583	0.26
2020-2021	1st Interim	2.30	4,254	0.26
2020-2021	2nd Interim	17.82	48,023	0.00

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 IPO Refund Amount

During the Financial Year 2020-21, the Company, pursuant to the provisions of Section 124 of the Companies Act, 2013, has transferred a dividend amount of ₹ 235,542 (Rupees Two Lakh Thirty Five Thousand Five Hundred Forty Two Only) lying in 'Unpaid Equity Dividend 2013' which remained unpaid/ unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government. Further, 840 equity shares of the Company on which the dividend remained unpaid/ unclaimed for a period of seven consecutive years were also transferred to IEPF in accordance with the Companies Act, 2013 and rules laid there under. The Company has uploaded relevant details of transfer on the website of the Company. The investors whose shares and dividend amount have been transferred to IEPF may claim their shares and seek refund from the competent authority in accordance with the provisions of law.

The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 3, 2020 (date of last Annual General Meeting) 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 (formerly Bharti Infratel Limited)- Unclaimed Suspense Account' as on March 31, 2021 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, 2020	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, 2021	1	50

The voting rights on the shares in the suspense account as on March 31, 2021 shall remain frozen till the rightful owners of such shares claim the shares.

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on the Company's website, https://www.industowers.com/investor/results/ .

News releases, presentations: Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website, www.industowers.com.

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, 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

15th Annual General Meeting

Date : August 3, 2021
Day : Tuesday
Time : IST 3:30 pm
Venue : Through Video Conferencing/Other Audio-Visual Means

Financial Year

The Company has adopted the Financial Year of 12 months ending in March every year.

Dividend and Dividend Pay-out Date

During the year, the Board had declared the 1st interim dividend of ₹ 2.30/- per equity share amounting to ₹ 4,254 Mn (excluding tax on dividend) on July 27, 2020 for which the dividend pay-out date was August 24, 2020. The Board had also declared 2nd interim dividend of ₹ 17.82/- per equity share amounting to ₹ 48,023 Mn (excluding tax on dividend) on January 28, 2021 for which the dividend pay-out date was February 19, 2021, except where the shareholders provided instructions otherwise.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange, Scrip code and Status of fee paid for Financial Year 2021-22:

Name and address of the Stock Exchange	Scrip code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra(C), Mumbai – 400001	INDUSTOWER	Paid
The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	534816	Paid

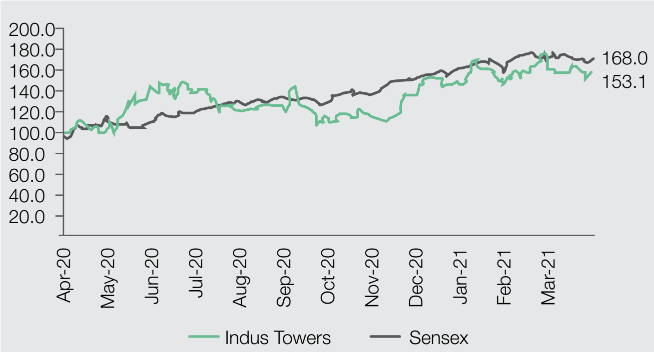
Stock Market Data

The monthly high & low during each month, in last Financial Year, is as below:

Month	NSE		BSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
Apr-20	181.00	149.50	182.00	149.55
May-20	242.50	156.60	242.60	156.60
Jun-20	241.00	200.00	240.75	201.00
Jul-20	228.60	187.75	228.60	187.85
Aug-20	213.75	188.00	213.65	188.00
Sep-20	235.45	162.20	235.45	161.30
Oct-20	205.75	175.45	205.65	176.80
Nov-20	238.00	175.25	238.00	175.30
Dec-20	253.15	210.35	252.85	209.85
Jan-21	275.00	228.00	274.95	229.00
Feb-21	282.65	231.40	282.00	231.60
Mar-21	267.00	235.10	266.70	235.30

Source: www.nseindia.com Source: www.bseindia.com

Share Price performance in comparison to broad based indices such as BSE Sensex, and NSE NIFTY is as under:



Suspension of Company's Securities

Company's securities are never suspended from trading since its listing.

Registrar and Share Transfer Agent (RTA)

KFin Technologies Private Limited (formerly known as Karvy Fintech Private 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, 2021

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	Amount of share Capital (in ₹)	% of shares
1	1-5000	77817	95.03	52,115,810.00	0.19
2	5001-10000	2013	2.46	16,115,330.00	0.06
3	10001-20000	739	0.90	11,295,060.00	0.04
4	20001-30000	287	0.35	7,426,770.00	0.03
5	30001-40000	111	0.14	3,914,300.00	0.01
6	40001-50000	83	0.10	3,902,050.00	0.01
7	50001-100000	150	0.18	11,097,270.00	0.04
8	100001 and above	690	0.84	26,843,502,910.00	99.61
	Total	**81890**	**100.00**	**26,949,369,500.00**	**100.00**

Please note that total number of folios (without consolidation of shareholding) as on March 31, 2021 are 84,970. However, pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, the shareholding is consolidated on the basis of PAN, where available, and folio number to avoid multiple disclosures of shareholding of the same person. The total number of shareholders after consolidation of folios based on PAN, where available are 81,890.

By Category of holders as on March 31, 2021

S. No.	Category	Number of Shares	%
I.	**Promoter & Promoter Group**		
	(i) Indian	1,124,527,726	41.73%
	(ii) Foreign*	757,821,804	28.12%
	Total - Promoter & Promoter Group	**1,882,349,530**	**69.85%**
II.	**Public Shareholding**		
	Institutions		
	(i) Mutual Funds	6,818,270	0.25%
	(ii) Alternative Investment Fund	221,200	0.01%
	(iii) Foreign Portfolio Investors	729,771,184	27.08%
	(iv) Financial Institutions/Banks	40,000	0.00%
	(v) Insurance Companies	55,025,092	2.04%
	(vi) Qualified Institutional Buyer	3,451,106	0.13%
	Total – Institutions	**795,326,852**	**29.51%**
	Non-Institutions		
	(i) Individual shareholders holding nominal share capital up to ₹ 2 lakhs	9,751,455	0.36%
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	2,622,077	0.10%
	(iii) NBFCs Registered with RBI	3,300	0.00%
	(iv) Trust	648	0.00%
	(v) Non Resident Indians	335,614	0.01%
	(vi) Clearing Members	2,883,805	0.11%
	(vii) Non Resident Indian Non Repatriable (NRN)	148,105	0.01%
	(viii) Bodies Corporate	1,369,634	0.05%
	(ix) IEPF	840	0.00%
	Total - Non-Institutions	**17,115,478**	**0.64%**
	Total - Public Shareholding	**812,442,330**	**30.15%**
III.	**Non Promoter-Non Public - Shares held by Indus Towers Employees Welfare Trust**	**145,090**	**0.01%**
	Total	**2,694,936,950**	**100%**

*2 promoter entities are Foreign owned and controlled companies.

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, 2021, 2,69,49,35,755 shares representing approx. 100 % of the total issued and paid-up capital are in demat form with the depositories.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken any hedging activities during the year.

Plant Locations

Being a service provider company, Indus Towers Limited (formerly Bharti Infratel Limited) has no plant locations. The Company's Circle Office addresses are provided at the end of this Integrated Annual Report.

Communication Addresses

<table>
<tr><th></th><th>Contact</th><th>Email</th><th>Address</th></tr>
<tr><td>For Corporate Governance and Other Secretarial related matters</td><td>Ms. Samridhi Rodhe
Company Secretary & Compliance Officer</td><td>compliance.officer@
industowers.com</td><td rowspan="3">Indus Towers Limited
(formerly Bharti Infratel Limited)
Corporate Office: Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram-122002, Haryana
Tel: +91 -124-4296766
Fax: +91124 4289333

Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram - 122001, Haryana
Telephone no. +91 -124-4132600
Fax no. +91124 4109580
Website: www.industowers.com</td></tr>
<tr><td>For queries relating to Financial Statements</td><td>Mr. Kaustav Neogi</td><td>IR@industowers.com</td></tr>
<tr><td>For Corporate Communication related matters</td><td>Ms. Vivika Dass
National Head- Marketing Communication</td><td>indus.communication@
industowers.com</td></tr>
<tr><td>Registrar & Transfer Agent</td><td>KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)</td><td>einward.ris@kfintech.com</td><td>Karvy Selenium, Tower B, Plot number 31 & 32, Gachibowli, Financial District, Hyderabad – 500032, India
P : +91 040 6716 1736
Fax No.: 040 23420814
Email: einward.ris@kfintech.com
Website: www.kfintech.com
Toll Free No. 1-800-3094 001</td></tr>
</table>

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, 2021, a confirmation that they are in compliance with the Company's Code of Conduct.

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

Bimal Dayal
Managing Director & CEO

Date: April 22, 2021
Place: Gurugram

Annexure - B

CERTIFICATION

We, Bimal Dayal, Managing Director & CEO and Vikas Poddar, Chief Financial Officer of Indus Towers Limited (formerly Bharti Infratel Limited), to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 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 22, 2021
Place: Gurugram

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Annexure - C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Indus Towers Limited
(formerly Bharti Infratel Limited)
901, Park Centra, Sector-30,
NH-8, Gurugram,
Haryana 122001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indus Towers Limited (formerly Bharti Infratel Limited) having CIN L64201HR2006PLC073821 and registered office at 901, Park Centra, Sector-30, NH-8, Gurugram Gurgaon HR 122001 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 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:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Ms. Anita Kapur	07902012	17/01/2018
2.	Mr. Balesh Sharma	07783637	19/11/2020
3.	Mr. Bimal Dayal	08927887	08/01/2021
4.	Mr. Gopal Vittal	02291778	19/11/2020
5.	Mr. Harjeet Singh Kohli	07575784	19/11/2020
6.	Mr. Narayanan Kumar	00007848	29/04/2008
7.	Mr. Rajan Bharti Mittal	00028016	27/01/2016
8.	Mr. Randeep Singh Sekhon	08306391	19/11/2020
9.	Mr. Ravinder Takkar	01719511	19/11/2020
10.	Mr. Sharad Bhansali	08964527	19/11/2020
11.	Ms. Sonu Halan Bhasin	02872234	19/11/2020
12.	Mr. Thomas Reisten	06900067	19/11/2020

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

Dr. S. Chandrasekaran
Senior Partner
Membership No. 1644
Certificate of Practice No. 715
UDIN: F001644C000094616

Date: 15.04.2021
Place: New Delhi

(i) Due to restricted movement amid COVID-19 pandemic, we conducted viewed the necessary disclosures and other records etc. provided by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records provided to us are the true and correct.

Consolidated 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 subsidiary, (the Parent and its subsidiary together referred to as "the Group") which includes the Group's share of profit in its erstwhile joint venture (ceased to exist and merged into the Parent Company w.e.f. November 19, 2020), which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the erstwhile joint venture referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and erstwhile joint venture 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 and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

Material uncertainty arising out of certain developments and its consequential impact on business operations

We draw your attention to Note 53 of the consolidated financial statements, which describes the effect on business operations and financial position of the Group on account of the one of the largest customer's ability to continue as going concern. The Customer's assumption of going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow from its operations that it needs to settle/refinance its liabilities and guarantees as they fall due. The Board of Directors of the customer, at their meeting held on 4 September 2020 have approved the fund-raising plan of up to ₹ 250,000 million.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition – accuracy of revenue recorded** 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. (Refer to note 4.1(j) and 26 to the consolidated financial statements)	**Principal audit procedures performed:** Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over: • Capture and recording of revenue transactions; • Authorisation of rates changes and input of the rate changes into the billing systems; • Preparation and validation of the billing schedule; and • Calculations of amounts billed to operators, in line with underlying contracts / agreements; 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; 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;
2	**Contingent Liabilities and Provisions: Disputed tax matters** Group is subjected to a number of significant income tax litigations and indirect tax litigations ("litigations") which are in appeal before various judicial forums. The eventual outcome of these litigations are uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements. 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. (Refer to note 4.1(q)(ii) and note 38(b) to the consolidated financial statements)	**Principal audit procedures performed:** 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. We obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of these tax litigations. We involved our internal direct and indirect tax experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice obtained by management, if any, and considered relevant legal provisions and available precedents to challenge management's underlying assumptions in estimating the possible outcome of these litigations; and We assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.

S. No.	Key Audit Matter	Auditor's Response
3	**Accounting for business combination** Effective November 19, 2020, erstwhile Indus Towers Limited and Bharti Infratel Limited merged pursuant to scheme of amalgamation and arrangement which resulted into formation of a joint arrangement between existing shareholders of both companies. The Group accounted for the merger under the pooling of interest method. We have determined this to be a key audit matter in view of complexity involved in selection of method of accounting for formation of the joint arrangement. (Refer to note 3 to the consolidated financial statements)	**Principal audit procedures performed:** We read and examined the scheme of amalgamation and arrangement pursuant to which merger was carried out along with regulatory approvals required for the scheme to take effect. We evaluated the appropriateness of pooling of interest method of accounting adopted by the management to account for the merger, with reference to the requirements of the accounting principles generally accepted in India. We have assessed the adequacy and appropriateness of the disclosures around selection of method of accounting for this transaction in accordance with the accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Report on Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the erstwhile joint venture audited by the other auditor, to the extent it relates to that entity and, in doing so, place reliance on the work of the other auditor 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. Other information so far as it relates to the erstwhile joint venture, is traced from their financial statements audited by the other auditor.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its erstwhile joint venture 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 and of its erstwhile joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its erstwhile joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its erstwhile joint venture 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 and of its erstwhile joint venture are also responsible for overseeing the financial reporting process of the Group and of its erstwhile joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its erstwhile joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its erstwhile joint venture 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 and its erstwhile joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated financial statements include the Group's share of net profit after tax of ₹ 8,663 millions and total comprehensive income of ₹ 8,656 millions for the period April 01, 2020 to November 18, 2020, as considered in the consolidated financial statements, in respect of erstwhile joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the erstwhile joint venture is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2021 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 38(b) to the Consolidated Financial Statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 48 to the Consolidated Financial Statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India. Refer Note 49 to the Consolidated Financial Statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)
UDIN:21094468AAAADD4160

Place: Gurugram
Date: April 22, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Indus Towers Limited (formerly Bharti Infratel Limited) (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)
UDIN:21094468AAAADD4160

Place: Gurugram
Date: April 22, 2021

Consolidated Balance Sheet

as at March 31, 2021

(Amounts in millions of Indian Rupees)

Particulars	Notes	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	5 (a)	215,819	50,702
Right of use assets	5 (b)	102,110	16,319
Capital work-in-progress		2,736	545
Intangible assets	5 (a)	73	120
Investment in joint venture	6	-	57,318
Financial assets			
Investment	7	-	17,002
Other financial assets	8	10,533	1,450
Income tax assets (net)		7,282	757
Deferred tax assets (net)	9	-	1,331
Other non-current assets	10	14,586	2,482
		353,139	**148,026**
Current assets			
Financial assets			
Investment	7	22,714	37,381
Trade receivables	11	38,285	3,672
Cash and cash equivalents	12	145	1,452
Other bank balance	13	-	18
Other financial assets	8	29,559	4,466
Other current assets	14	5,595	2,524
		96,298	**49,513**
Total assets		**449,437**	**197,539**
Equity and liabilities			
Equity			
Equity share capital	15	26,949	18,496
Other equity	16	131,821	116,927
		158,770	**135,423**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	15,051	-
Lease liabilities	18	112,327	19,674
Other financial liabilities	19	5,236	635
Provisions	20	15,666	3,023
Deferred tax liabilities (net)	9	703	-
Other non - current liabilities	21	2,178	521
		151,161	**23,853**
Current liabilities			
Financial liabilities			
Borrowings	22	54,652	24,184
Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		374	189
- Total outstanding dues of creditors other than micro enterprises and small enterprises		32,214	7,883
Lease liabilities	18	21,792	2,414
Other financial liabilities	24	23,234	2,306
Other current liabilities	25	5,441	978
Provisions	20	481	200
Current tax liabilities (net)		1,318	109
		139,506	**38,263**
Total liabilities		**290,667**	**62,116**
Total equity and liabilities		**449,437**	**197,539**

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

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021
(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

Particulars	Notes	For the year ended March 31, 2021 (refer note 3 & 54)	For the year ended March 31, 2020
Income			
Revenue from operations	26	139,543	67,430
Other income	27	1,969	1,287
Total income		**141,512**	**68,717**
Expenses			
Power and fuel	28	51,536	23,672
Employee benefit expenses	29	5,126	2,935
Repairs and maintenance	30	7,246	2,503
Other expenses	31	3,036	2,144
Total expenses		**66,944**	**31,254**
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax		**74,568**	**37,463**
Depreciation and amortization expense	32	29,913	13,217
Less: adjusted with general reserve in accordance with the Scheme of arrangement (refer note 46)	32	(1,429)	(402)
		28,484	**12,815**
Finance costs	33	8,364	3,350
Finance income	33	(1,992)	(3,370)
Charity and donation	47	806	598
Profit before share of profit of joint venture and tax		**38,906**	**24,070**
Share of profit of joint venture (refer note 3)		8,663	13,805
Profit before tax		**47,569**	**37,875**
Income tax expense :		**9,779**	**4,888**
Current tax	9	9,852	5,806
Deferred tax	9	(73)	(918)
Profit for the year		**37,790**	**32,987**
Other comprehensive income (OCI)			
Items that will not be re-classified to Profit and Loss			
Remeasurements gains/(losses) of defined benefit plans (net of tax)		20	(12)
Share of profit/(loss) in OCI of joint venture		(7)	(9)
Items that will be re-classified to Profit and Loss			
Fair value changes on financial assets through OCI (net of tax)		-	(98)
Other comprehensive income/(loss) for the year, net of tax		**13**	**(119)**
Total comprehensive income/(loss) for the year, net of tax		**37,803**	**32,868**
Earnings per share (Nominal Value of share ₹ 10 each)			
Basic	34	17.516	17.840
Diluted	34	17.515	17.839

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

Vijay Agarwal
Partner
Membership No: 094468

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Place: Gurugram
Date: April 22, 2021

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No of shares (in thousands)	(₹ Million)
As at April 1, 2019	**1,849,608**	**18,496**
As at March 31, 2020	**1,849,608**	**18,496**
As at April 1, 2020	**1,849,608**	**18,496**
Issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**845,329**	**8,453**
As at March 31, 2021	**2,694,937**	**26,949**

B. Other Equity

	Reserves and Surplus									
	Securities Premium	Treasury shares	Share Based Payment reserve	General Reserve	Capital Reserve	Merger Capital Reserve	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total Equity
As at April 1, 2019	**48,838**	**(240)**	**68**	**58,747**	**-**	**-**	**471**	**18,870**	**66**	**126,820**
Transition Impact of Ind AS 116	-	-	-	-	-	-	-	(9,452)	-	**(9,452)**
Restated Balance as at April 1, 2019	**48,838**	**(240)**	**68**	**58,747**	**-**	**-**	**471**	**9,418**	**66**	**117,368**
Profit for the year	-	-	-	-	-	-	-	32,987	-	**32,987**
Other comprehensive income	-	-	-	-	-	-	-	-	(119)	**(119)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32,987**	**(119)**	**32,868**
Tax Impact of rate change on transition impact of Ind AS 116	-	-	-	-	-	-	-	(856)	-	**(856)**
Gross compensation for options forfeited/exercised during the year	-	-	(27)	-	-	-	-	-	-	**(27)**
Shares issued to employees on exercise of ESOP	-	38	-	-	-	-	-	-	-	**38**
Amount on account of sale and purchase of treasury shares	-	(39)	-	-	-	-	-	-	-	**(39)**
Amount transferred to stock options outstanding during the vesting period	-	-	19	-	-	-	-	-	-	**19**
Premium on exercise of ESOP's *	-	-	-	(9)	-	-	-	-	-	**(9)**
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited	-	-	-	(440)	-	-	-	-	-	**(440)**
Amount adjusted during the year in accordance with the Indus scheme	-	-	-	-	-	-	-	(1,009)	-	**(1,009)**
Dividends on equity shares	-	-	-	-	-	-	-	(25,701)	-	**(25,701)**
Tax on dividends on equity shares	-	-	-	-	-	-	-	(5,285)	-	**(5,285)**
As at March 31, 2020	**48,838**	**(241)**	**60**	**58,298**	**-**	**-**	**471**	**9,554**	**(53)**	**116,927**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

B. Other Equity (Contd..)

	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, 2020	**48,838**	**(241)**	**60**	**58,298**	**-**	**-**	**471**	**9,554**	**(53)**	**116,927**
Profit for the year	-	-	-	-	-	-	-	37,790	-	**37,790**
Other comprehensive income	-		-	-	-	-	-	-	13	**13**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37,790**	**13**	**37,803**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	-	-	-	15,224	4,536	(48,901)	-	67,936	(68)	**38,727**
Stamp duty on issue of shares on merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(8)	-	-	-	-	-	-	-	-	**(8)**
Shares issued to employees on exercise of ESOP	-	54	-	-	-	-	-	-	-	**54**
Amount on account of sale/purchase of treasury shares (net)	-	78	-	-	-	-	-	-	-	**78**
Gross compensation for options forfeited/exercised during the year.	-	-	(47)	-	-	-	-	-	-	**(47)**
Amount transferred to stock options outstanding during the vesting period	-	-	28	-	-	-	-	-	-	**28**
Premium on exercise of ESOP's *	-	-	-	(1)	-	-	-	-	-	**(1)**
Amount adjusted during the year in accordance with the Indus scheme	-	-	-	-	-	-	-	(437)	-	**(437)**
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement	-	-	-	(1,449)	-	-	-	-	-	**(1,449)**
Dividend on equity shares	-	-	-	-	-	-	-	(59,854)	-	**(59,854)**
Others	-	-	-	-	-	-	-	3	(3)	**-**
As at March 31, 2021	**48,830**	**(109)**	**41**	**72,072**	**4,536**	**(48,901)**	**471**	**54,992**	**(111)**	**131,821**

* 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 financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2021

(Amounts in millions of Indian Rupees)

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Cash flows from operating activities		
Profit before taxation	47,569	37,875
Adjustments for		
Depreciation and amortization expense	28,484	12,815
Finance income	(1,992)	(3,370)
Finance costs	8,364	3,350
Share of profit of joint venture	(8,663)	(13,805)
Gain on disposal of property, plant & equipment	(823)	(384)
Provision for doubtful debts and advances	(461)	681
Revenue equalisation	(2,074)	(1,297)
Others	(1,237)	(1,879)
Operating profit before changes in assets and liabilities	**69,167**	**33,986**
Changes in other financial assets	(3,129)	336
Changes in other non current and current assets	(1,069)	610
Changes in trade receivables	24,251	(1,873)
Changes in other financial liabilities	(111)	(2,281)
Changes in provisions	(193)	77
Changes in other non current and current liabilities	(3,396)	(983)
Changes in trade payables	79	(1,256)
Cash generated from operations	**85,599**	**28,616**
Income tax paid (net of refunds)	(10,788)	(5,465)
Net cash flow from operating activities (A)	**74,811**	**23,151**
Cash flows from investing activities		
Purchase of property, plant & equipment	(21,184)	(8,298)
Proceeds from sale of property, plant & equipment	1,666	1,010
Investment in mutual funds	(98,329)	(80,162)
Proceeds from sale of mutual funds	131,268	64,078
Proceeds from sale of government securities	-	9,467
Redemption of certificate of deposits, Commercial paper and bonds	-	2,938
Investment/(proceeds) from bank deposits (net)	(42)	(7)
Proceeds from exercise of stock options	6	-
Interest received	392	852
Dividend received	4,200	-
Net cash flow from /(used in) investing activities (B)	**17,977**	**(10,122)**

Consolidated Statement of Cash Flow

for the year ended March 31, 2021
(Amounts in millions of Indian Rupees)

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Cash flows from financing activities		
Proceeds from borrowings	149,640	23,853
Repayment of borrowings	(133,325)	-
Sale/Purchase of treasury shares (net)	78	(39)
Cash paid to Vodafone Idea Ltd. pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(37,642)	-
Stamp duty on issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(8)	-
Dividend paid	(59,854)	(25,701)
Tax on dividend paid	-	(5,285)
Interest paid	(1,450)	(1,300)
Repayment of leasehold liabilities (including interest)	(11,207)	(3,382)
Net cash flow (used in) financing activities (C)	**(93,768)**	**(11,854)**
Net increase/(decrease) in cash and cash equivalents during the year(A+B+C)	**(980)**	**1,175**
Cash and cash equivalents at the beginning of the year	1,121	(54)
Cash and cash equivalents pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	2	-
Cash and cash equivalents at the end of the year (refer Note 12)	**143**	**1,121**

The accompanying notes form an integral part of these financial statements.

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

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

1. Corporate information

Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Indus') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited. The Registered office of the Company is situated at 901, Park Centra, Sector-30 NH-8, Gurugram Haryana-122001.

The Company, together with its wholly owned subsidiary (Smartx Services Limited), controlled trust (Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)) and joint venture (erstwhile Indus Towers Limited) 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 fresh certificate of incorporation 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. Bharti Airtel Limited along with its wholly owned subsidiary holds 41.73% shares and Vodafone Group Plc. through its indirect wholly owned subsidiary companies holds 28.12% shares in the Company as on March 31, 2021.

The Consolidated financial statements are approved for issuance by the Company's Board of Directors on April 22, 2021.

2. a) Statement of Compliance

These 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 together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 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 '₹') and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

c) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group, its subsidiary, erstwhile joint venture and its directly Controlled Trust which are as follows:

Entity	Country of Incorporation	Principal Service	Relationship	Shareholder as at March 31, 2021	Shareholder as at March 31, 2020
Erstwhile Indus Towers Limited* (Till November, 18, 2020)	India	Passive Infrastructure Services	Joint Venture	-	42%
Smartx Services Limited*	India	Optical Fiber Services	Subsidiary	100%	100%

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Details of Controlled Trust

Name of Trust	Country of Incorporation
Indus Tower Employee Welfare Trust* (Formerly Bharti Infratel Employee Welfare trust)	India

*Refer note 1

Accounting for Subsidiary:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiary is fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

The Group consolidates its directly controlled trust on the line by line consolidation basis and according to principles of Ind AS 110, Consolidated Financial Statements.

Interest in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The joint venture is accounted for from the date on which Group obtains joint control over joint venture. The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, investments in joint venture are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investments. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. The Group shall discontinue the use of the equity method from the date when its investment ceases to be a joint venture.

3. Merger of 'erstwhile Indus Towers Limited' with 'the Company'

On April 25, 2018, Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company or Transferee Company') and its Joint Venture Company erstwhile Indus Towers Limited ('erstwhile Indus or Transferor Company') and their respective shareholders and creditors entered into a scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The Scheme has received requisite approvals from Competition Commission of India, Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited and FDI approval from Department of Telecommunications (DoT). The Company has also received approval from National Company Law Tribunal (NCLT), Chandigarh on May 31, 2019 read with the order dated October 22, 2020. Furthermore, the Company has filed the certified copy of the NCLT order with the Registrar of Companies on November 19, 2020 i.e.the effective date of merger. Upon the Scheme becoming effective the erstwhile Indus stood dissolved without being wound-up.

As a result of above scheme, Bharti Airtel group through its subsidiary i.e Bharti Infratel Limited and Vodafone group through its joint venture i.e. erstwhile Indus Towers Limited contributed assets and liabilities to form a Joint arrangement in the name of Bharti Infratel Limited. Furthermore, the name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020.

In compliance with the Scheme, 845,328,704 equity shares of the Company were issued to the shareholders of erstwhile Indus which has been recorded at face value of ₹ 10 per equity share and ₹ 37,642 Mn (inclusive of 41 Mn paid after effective date of merger) was paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company. The stamp duty paid on issue of shares amounting to ₹ 8 Mn has been debited to Securities Premium Account.

(Amounts in millions of Indian Rupees, unless stated otherwise)

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 a joint arrangement, hence, the Company had an option to either account for such business combination using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of erstwhile Indus have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger. The financial information in the financial statement in respect of prior periods are not restated as the business combination was not involving entities under common control.

On the date of Scheme becoming effective, the Company has combined assets, liabilities and components of other equity of the erstwhile Indus on line by line basis. Furthermore, the Company has recognised impact of alignment of accounting practices and estimates of ₹ 589 Mn through General Reserve and ₹ 123 Mn (net of tax) through the Statement of profit and loss for the year ended March 31, 2021.

(A) The carrying balances of the erstwhile Indus which have been added to the respective line items in the Balance Sheet of the Company are as under:

Particulars	Amount as on the effective date of merger
Assets	
Non current assets	
Property, plant and equipment	164,884
Right of use assets	82,228
Capital work-in-progress	2,429
Intangible assets	109
Financial assets	
Other financial assets	9,166
Income tax assets (net)	6,432
Other non-current assets	10,061
	275,309
Current assets	
Financial assets	
Trade receivables	57,917
Cash and cash equivalents	2
Other financial assets	22,044
Other current assets	1,970
	81,933
Total assets	**357,242**
Equity and liabilities	
Equity	
Equity share capital	1
Other equity	146,043
	146,044

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	Amount as on the effective date of merger
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	9,101
Lease liabilities	89,007
Other financial liabilities	3,965
Provisions	11,812
Deferred tax liabilities (net)	2,216
Other non-current liabilities	1,970
	118,071
Current liabilities	
Financial liabilities	
Borrowings	22,416
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	98
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,173
Lease liabilities	17,765
Other financial liabilities	17,099
Other current liabilities	7,972
Provisions	552
Current tax liabilities (net)	2,052
	93,127
Total liabilities	**211,198**
Total equity and liabilities	**357,242**

B) The impact on other equity on the effective date of merger is as follows:

Particulars	Reserve and Surplus				Other Comprehensive Income	Total Equity
	Capital Reserve	General Reserve	Merger Capital Reserve	Retained Earnings		
Reserve of erstwhile Indus	4,536	73,257	-	68,366	(116)	**146,043**
Investment of the Company into erstwhile Indus*	-	(58,033)	(2,807)	(382)	-	**(61,222)**
Cash paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company	-	-	(37,642)	-	-	**(37,642)**

(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	Reserve and Surplus				Other Comprehensive Income	Total Equity
	Capital Reserve	General Reserve	Merger Capital Reserve	Retained Earnings		
Share of profit/(loss) in OCI of erstwhile Indus (Joint Venture) transferred to retained earnings	-	-	-	(48)	48	-
Share capital of erstwhile Indus less share capital issued by the Company	-	-	(8,452)	-	-	**(8,452)**
Total	**4,536**	**15,224**	**(48,901)**	**67,936**	**(68)**	**38,727**

* During the year ended March 31, 2014, under the Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to erstwhile Indus was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and had become part of erstwhile Indus. The Company was carrying investment in BIVL at ₹ 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in erstwhile Indus in lieu of transfer of its investment in BIVL to erstwhile Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the scheme. The resultant gain of ₹ 382 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of the Statement of Profit and Loss as at April 1, 2009.

The merger of erstwhile Indus with the Company has been accounted as per 'Pooling of interest' method according to which the identity of the reserves (of the transferor) shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Consequently, all the reserves of the transferor (erstwhile Indus) has been recorded at their respective book values and their identity has been preserved.

Upon the merger becoming effective, the investment in Joint Venture (erstwhile Indus) has been cancelled by debiting the General Reserve to the extent available (i.e. ₹ 58,033 Mn) in the books of the Transferee Company, which was created out of the "BAL Scheme" (refer Note 46(a) for details of BAL scheme). There is no restriction for making adjustment to the reserves in the books of the transferee, and in accordance with the BAL scheme, such "General Reserve shall constitute free reserve available for all purposes of the Company and to be utilised by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company". Further, earlier recognised gain of ₹ 382 Mn and deferred tax liability of ₹ 116 Mn have been reversed and the balance amount of investment in joint venture i.e. ₹ 2,807 Mn has been debited to the merger Capital Reserve on account of cancellation of such investment.

In addition to above, difference between share capital of erstwhile Indus of ₹ 1 Mn and shares issued by the Company of ₹ 8,453 Mn and cash paid of ₹ 37,642 Mn to the shareholders of the erstwhile Indus have resulted into debit balance of Merger Capital Reserve.

4. Significant accounting policies, judgements, estimates and assumptions

4.1. Significant accounting policies

a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the 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.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4.2 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

Particulars	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant and Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life whichever is less

The existing useful lives and residual value of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing residual values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Acquired telecom license is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised over the unexpired period of license.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

c) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include the current portion of long-term liabilities. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) Leases

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Group as a Lessee

The Group recognizes right-of-use asset (ROU) representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if

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any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the consolidated statement of profit and loss.

The Group may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Group has opted to recognize the asset retirement obligation liability as part of the cost of an item of property, plant and equipment in accordance with Ind AS 16.

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.

As a lessor, in accordance with Ind AS 116 the Group has created Revenue equalisation reserve (RER) for fixed escalation clauses present in non-cancellable lease agreements with the customers on prospective basis effective April 1, 2019.

f) Share-based payments

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in Consolidated Statement of Profit and Loss.

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

g) Cash and Cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Groups cash management are included as a component of cash and cash equivalents for the purpose of the consolidated Statement of Cash Flows.

h) Treasury shares

The Group has formed Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust), for administration of ESOP Schemes of the Group. The Trust bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments ("treasury shares") which are reacquired through Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust) are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the general reserve and gain or loss, if sold, is recognised in treasury shares. Share options exercised during the reporting period are satisfied with treasury shares.

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

This category applies to the Group's trade receivables, unbilled revenue, security deposits.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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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 has classified Investment in tax free bonds within this category.

Debt instrument at fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss. This category applies to the Group investment in government securities, mutual funds, taxable bonds and non-convertible debentures.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as FVTPL.

Equity investments

All equity investments in scope of Ind AS 109, "Financial Instruments" are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103, Business combinations applies are classified as at fair value through Profit or loss. Further, there is no such equity investments measured at Fair value through profit or loss or fair value through other comprehensive income in the Group.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, Financial instruments the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, trade and other payables, security deposits, lease liabilities etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit and Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109, Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to the Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Financial Liabilities at Amortised Cost

This category includes security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model

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occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Revenue Recognition

The Group earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

Revenue is recognized when the Group satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Group has ascertained that the lease payments received are straight lined over the period of the contract.

Exit Charges on site exit and equipment de-loading is recognised when uncertainty relating to such exit and de-loading is resolved and it is probable that a significant reversal relating to recoverability of these charges will not occur.

Interest on delayed payment from operators is recognized as income when uncertainty relating to amount receivable is resolved and it is probable that a significant reversal relating to this amount will not occur.

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized for the services rendered for the period falling after the last invoice raised to customer till the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Group collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

Use of significant judgements in revenue recognition

The Group's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

In evaluating whether a significant revenue reversal will not occur, the Group considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Group with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Group provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Group is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

There is no additional impact of SLA penalty as the Group already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Determination of standalone selling price does not involve significant judgement for the Group. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Dividend Income

Dividend Income is recognized when the right to receive payment is established, which is generally on the date when shareholders approve the dividend in case of final dividend and approval by Board of Directors in case of interim dividend.

k) Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in the Consolidated Statement of Profit and Loss. Interest income is recognised as it accrues in the Consolidated Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

l) Other Income

Other income includes dividend income, interest on income tax refund, gain on sale of property, plant and equipment etc. Any gain or loss arising on derecognition of property, plant and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

m) Finance Cost

Finance costs comprise Borrowing cost, interest expense on lease obligations, accretion of interest on site restoration obligation and security deposits received.

n) Income Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The tax expense on dividends are linked directly to past transactions or events that generated distributable profits than to distribution to owners, Therefore, The Group shall recognise the income tax on dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised

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if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

o) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Group. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

p) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered. All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences and bonus etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group post-employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Group contributions to defined contribution plans are recognized in the Consolidated Statement of Profit and Loss when the related services have been rendered. The Group has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees 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 quarterly as at the reporting date 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 Consolidated Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the consolidated balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of consolidated Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the consolidated Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Group does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs.

The amount charged to the Consolidated Statement of Profit and Loss in respect of these plans is included within operating costs.

q) Provision

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e., unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent assets/liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is 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

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(Amounts in millions of Indian Rupees, unless stated otherwise)

period excluding shares purchased by the Group and held as treasury shares plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

s) Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurements. Other fair value related disclosures are given in the relevant notes.

t) Foreign Currency

Functional and presentation currency

The Group financial statements are presented in Indian Rupees ('INR' or '₹'), which is also the Group's functional currency. Presentation currency is the currency in which the financial statement of the group is presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

u) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

v) Non-GAAP measure of financial performance

Profit before depreciation and amortization, finance cost, finance income, charity and donation and tax is an important measure of financial performance relevant to the users of financial statements and stakeholders of the Group. Hence, the Group presents the same as an additional line item on the face of the Statement of Profit and Loss considering such presentation is relevant for understanding of the Group's financial position and performance.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Leases

Group as lessor

The Group has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Group, that such contracts are in the nature of operating lease and has accounted for as such.

Lease rentals under operating leases are recognised as income on straight line basis over the lease term.

Group as lessee

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(b) Impairment of non-financial assets

The carrying amounts of the Group non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ('CGU').

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and is recognised in the Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognized in the consolidated statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation increase.

(c) Property, plant and equipment

Refer Note 4.1(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the year ended March 31, 2021, the Company has revised the useful life of civil work included in Plant and machinery from 15 years to 20 years with effect from December 1, 2020. Set out below is impact of such change on future period depreciation:

Particulars	Year ended March 31, 2021	Year ended March 31, 2022
Decrease in Depreciation	405	1043

Further, the Company has also reassessed useful life from 15 years to 20 years and estimate of dismantling obligation for Asset retirement obligation w.e.f. December 1, 2020 and has taken the credit of ₹ 184 Mn in the Statement of Profit and Loss.

(d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 180 days past due from related parties and 90 days past due from other customers. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(e) Asset Retirement obligation

The Group uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

(f) Share based payment

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

(g) Fair value measurement of financial instrument

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

5 (a) Property plant and equipment

	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer software	License fee	Intangible assets Total	Capital work-in-progress
Cost or valuation											
As at March 31, 2019	**2**	**145,873**	**234**	**8**	**949**	**350**	**147,416**	**536**	**28**	**564**	**1,181**
Adjustments for Ind As 116*	**-**	**(144)**	**-**	**-**	**-**	**-**	**(144)**	**-**	**-**		
Restated balance as at April 1, 2019	**2**	**145,729**	**234**	**8**	**949**	**350**	**147,272**	**536**	**28**	**564**	**1,181**
Additions	-	9,182	25	-	7	7	**9,221**	127	-	**127**	**7,456**
Disposals/adjustments	-	(4,181)	(6)	(5)	(33)	-	**(4,225)**	-	-	**-**	**(8,091)**
As at March 31, 2020	**2**	**150,730**	**253**	**3**	**923**	**357**	**152,268**	**663**	**28**	**691**	**546**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**2**	**393,140**	**528**	**-**	**944**	**815**	**395,429**	**2,078**	**-**	**2,078**	**2,429**
Additions	-	**22,716**	9	-	54	23	**22,802**	8	-	**8**	**22,547**
Disposals/adjustments	-	**(7,595)**	(6)	(3)	(53)	-	**(7,657)**	(3)	-	**(3)**	**(22,786)**
As at March 31, 2021	**4**	**558,991**	**784**	**-**	**1,868**	**1,195**	**562,842**	**2,746**	**28**	**2,774**	**2,736**
											-
Accumulated depreciation/ amortisation											**-**
As at March 31, 2019	**-**	**92,789**	**210**	**5**	**889**	**272**	**94,165**	**490**	**3**	**493**	**-**
Adjustments for Ind As 116*	-	**(52)**	-	-	-	-	**(52)**	-	-	**-**	**-**
Restated balance as at April 1, 2019	**-**	**92,737**	**210**	**5**	**889**	**272**	**94,113**	**490**	**3**	**493**	**-**
Charge for the year	-	10,970	24	-	39	20	**11,053**	77	1	**78**	**-**
Disposals/adjustments	-	(3,565)	(4)	(4)	(27)	-	**(3,600)**	-	-	**-**	**-**
As at March 31, 2020	**-**	**100,142**	**230**	**1**	**901**	**292**	**101,566**	**567**	**4**	**571**	**-**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

5 (a) Property plant and equipment

	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer software	License fee	Intangible assets Total	Capital work-in-progress
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**-**	**228,460**	**490**	**-**	**812**	**783**	**230,545**	**1,969**	**-**	**1,969**	**-**
Charge for the year	-	21,656	21	-	75	20	**21,772**	160	1	**161**	**-**
Disposals/adjustments	-	(6,800)	(7)	(1)	(53)	1	**(6,860)**	-	-	**-**	**-**
As at March 31, 2021	**-**	**343,458**	**734**	**-**	**1,735**	**1,096**	**347,023**	**2,696**	**5**	**2,701**	**-**
As at March 31, 2020	**2**	**50,588**	**23**	**2**	**22**	**65**	**50,702**	**96**	**24**	**120**	**546**
As at March 31, 2021	**4**	**215,533**	**50**	**-**	**133**	**99**	**215,819**	**50**	**23**	**73**	**2,736**

The lenders have a first charge on pari-passu basis by way of hypothecation of the Company's entire plant and equipments, including tower assets, related equipment and spares, tools and accessories, furniture and fixtures, vehicles and all other moveable assets, present and future. The security interest ranks pari-passu amongst all secured lenders.

* Refer note 50 for details

(i) Plant and equipment comprise of assets given on operating lease.

(ii) Depreciation charge for the year includes ₹ 1,078 Mn (FY 2019 - 20 - ₹ 255 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.

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(Amounts in millions of Indian Rupees, unless stated otherwise)

5 (b) Right of use assets *

Particulars	Amount
As at April 1, 2019	**15,902**
Additions for the year	5,626
Disposals for the year	(3,124)
Depreciation for the year	(2,085)
As at March 31, 2020	**16,319**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**82,228**
Additions for the year	16,777
Disposals for the year	(5,234)
Depreciation for the year	(7,980)
As at March 31, 2021	**102,110**

*For details, refer note 50.

6 Investment in joint venture

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Unquoted, at cost		
Erstwhile Indus towers Limited: Nil (March 31, 2020 - 500,504) equity shares of ₹ 1 each fully paid up (refer note 3)	-	57,318
Total	-	**57,318**

7 Investment (Non Current)

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	-	17,002
Total	-	**17,002**

Investment (Current)

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	19,773	34,441
Government securities (quoted)	2,941	2,940
Total	**22,714**	**37,381**
Aggregate value of quoted Investments (cost)	19,902	50,798
Aggregate market value of quoted Investments	22,714	54,383

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Non-Current Investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2021 (refer note 3 & 54)		As at March 31, 2020	
	Units	Amount	Units	Amount
Axis Liquid Fund - Growth (CFGPG)	1,251,982	2,845	2,173,652	4,769
Baroda Pioneer Liquid Fund - Plan A - Growth	1,513,826	3,559	1,513,826	3,442
DSP Liquid Fund-Regular-Plan-Growth	1,038,845	3,033	1,138,181	3,212
L& T Liquid - Growth	784,834	2,202	784,834	2,127
Tata Liquid Fund Regular Plan-Growth	687,670	2,218	687,670	2,142
UTI - Liquid Cash Plan - Institutional Growth	404,787	1,357	404,787	1,310
	5,681,944	**15,214**	**6,702,950**	**17,002**
Reclassed to current investments	**(5,681,944)**	**(15,214)**	**-**	**-**
Total	**-**	**-**	**6,702,950**	**17,002**

Current Investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2021 (refer note 3 & 54)		As at March 31, 2020	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Liquid fund - Growth - Regular plan	-	-	8,581,317	2,727
Aditya Birla Sun Life Money Manager Fund - Growth- Regular Plan	2,995,937	854	2,995,937	806
Aditya Birla Sun Life Overnite fund- Growth - Regular plan	-	-	232,034	250
Franklin India Liquid Fund	-	-	1,084,202	3,221
HDFC liquid fund - Regular Plan - Growth	-	-	22,284	87
HSBC Cash Fund	1,817,400	3,705	1,817,400	3,579
ICICI Prudential Liquid Plan- Growth	-	-	17,169,140	5,022
Invesco India Liquid Fund - Growth	-	-	184,237	500
Kotak Liquid fund - Growth (Regular Plan)	-	-	873,307	3,494
Kotak Money Market Fund Growth Regular Plan	-	-	1,036,601	3,421
Nippon India Liquid Fund-Growth Plan-Growth Option	-	-	819,713	3,953
SBI Liquid Fund Regular Growth	-	-	1,392,098	4,307
Sundaram Money Fund Regular Growth	-	-	24,329,258	1,013
UTI-Money Market Fund -Institutional Plan - Growth	-	-	915,970	2,061
	4,813,337	**4,559**	**61,453,498**	**34,441**
Reclassed from non-current investments	**5,681,944**	**15,214**	**-**	**-**
Total	**10,495,281**	**19,773**	**61,453,498**	**34,441**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Details of investments in government securities are provided below:

Particulars	As at March 31, 2021 (refer note 3 & 54)		As at March 31, 2020	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	27,500,000	2,941	27,500,000	2,940
Total	**27,500,000**	**2,941**	**27,500,000**	**2,940**

8 Other financial assets (Non-current)

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Security deposit		
Unsecured, considered good	10,317	1,434
Unsecured, considered doubtful	1,117	364
Less :- Provisions	(1,117)	(364)
	10,317	**1,434**
Fixed deposits for more than one year#	216	16
Total	**10,533**	**1,450**

#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, 2021 (refer note 3 & 54)	As at March 31, 2020
Unbilled revenue*	29,055	4,340
Interest accrued on investments and deposits	467	66
Other Recoverable#	37	60
Total	**29,559**	**4,466**

*'Unbilled revenue' includes amount pertaining to related parties amounting to ₹ 25,953 Mn as at March 31, 2021 (March 31, 2020 - ₹ 3,041 Mn). For details refer note 41.

#'Other recoverable' is net of provision of ₹ 12 Mn (March 31, 2020 - ₹ 8 Mn).

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

9 Taxes

a) Income tax expense

i. Profit and loss

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Current tax	9,852	5,806
Deferred tax	(73)	(918)
Income tax expense	**9,779**	**4,888**

Current tax expense includes tax charge of ₹ 10 Mn (March 31, 2020 : ₹ 9 Mn) and deferred tax expense includes tax expense reversal of ₹ 16 Mn (March 31, 2020 : ₹ 1 Mn), respectively relating to earlier periods.

Further, deferred tax expense includes tax expense reversal of ₹ 63 Mn in year ended March 31, 2021 due to Current tax benefit availed of ₹ 63 Mn in year ended March 31, 2020 on account of donation of ₹ 250 Mn to PM Cares fund (COVID-19) paid subsequent to March 31, 2020, as per the ordinance passed by the Government.

ii. Other Comprehensive Income

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Deferred tax on re-measurements of defined benefits plan	7	(4)
Deferred tax on Fair Value changes of financial assets at FVTOCI	-	(13)
Income tax charged to other comprehensive income	**7**	**(17)**

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, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Net income before taxes	47,569	37,875
Enacted tax rate in India	25.168%	25.168%
Computed tax expense	**11,972**	**9,532**
Increase/(reduction) in taxes on account of:		
Share of (profit)/losses in joint ventures	(2,180)	(3,474)
Reversal of tax on undistributed earnings of joint venture due to impending merger	-	(1,771)
Tax effect of long-term MTM loss/(gain) on non-current investment	-	(54)
Tax effect of long term capital loss/(gain) on sale of non-current investment	(277)	11
Tax effect of disallowance on account of donation	140	(12)
Tax effect on Transition to Ind AS 116 due to change in tax rate	-	563
Others	124	93
Income tax expense recorded in the statement of profit and loss	**9,779**	**4,888**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

The applicable Indian statutory tax rate for financial year 2020-21 and 2019-20 is 25.168%.

The Group has elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Group has recognised provision of Income tax and remeasured its deferred tax assets basis the rate prescribed in the said section and taken the full effect to Statement of profit and loss for the year ended March 31, 2020.

c) Deferred tax liabilities/(assets)

The components that gave rise to deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Deferred tax liability in relation to:		
Right of use assets	25,694	4,104
Property, plant and equipment and intangible asset (excluding ARO)	7,091	40
Investment carried at Fair value through profit or loss/ OCI	701	895
Security deposit received measured at amortised cost	81	19
Gain on disposal of subsidiary (refer note 3)	-	114
Tax effect on Donation to PM Cares Fund	-	63
Revenue equalisation reserve	2,424	326
Others	30	-
Total deferred tax liabilities	**36,021**	**5,561**
Deferred Tax Assets in relation to:		
Lease Liabilities	32,814	5,511
Asset retirement obligation	28	598
Long term capital loss carried forward	174	254
Provision for doubtful debts and advance	1,520	309
Security deposit paid measured at amortised cost	259	-
Provision for employee benefits	437	101
Employee Stock option plans	86	86
Others	-	33
Total deferred tax assets	**35,318**	**6,892**
Net deferred tax liabilities/(asset)	**703**	**(1,331)**

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The reconciliation of net deferred tax liability/ (asset) is follows:

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Opening balance	(1,331)	(159)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	2,100	-
Tax expense during the year recognised in Consolidated Statement of profit and loss and OCI	(66)	842
Tax expense on Transition to Ind AS 116 (recognised in retained earnings)	-	(2,014)
Closing balance	**703**	**(1,331)**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

10 Other non-current assets

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Capital advances		
Unsecured, considered good	3	-
Unsecured, considered doubtful	-	-
Less: provision for capital advances	-	-
	3	**-**
Others*		
Unsecured, considered good	5,476	1,252
Unsecured, considered doubtful	1,069	592
Less - provision	(1,069)	(592)
	5,476	**1,252**
Revenue Equalisation Reserve	9,107	1,230
Total	**14,586**	**2,482**

*"Others" comprise of payments made under protest to the government authorities. For details, refer note 38(b).

11 Trade receivables

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Secured, considered good	20,709	-
Unsecured, considered good	17,576	3,672
Significant increase in credit risk	4,850	902
Credit Impaired	-	-
Less: Allowance for doubtful receivables	(4,850)	(902)
Total	**38,285**	**3,672**

Trade receivables are non-interest bearing and due after 15/30 days from the date of invoice. Trade receivables also includes amount outstanding from related parties, for details, refer note 41.

12 Cash and cash equivalents

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Balance with banks		
On current accounts	144	52
Deposits with original maturity of less than three months	1	1,400
Total	**145**	**1,452**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

For the purpose of the Cash flow statement, cash and cash equivalents comprise of following:

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Cash and cash equivalents as per balance sheet	145	1,452
Bank Overdraft	(2)	(331)
Total	**143**	**1,121**

Reconciliation of Cash Flow from financing activities for the year ended March 31, 2021

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Treasury shares	Cash flow on account of merger# (refer note 3)	Total
As at April 1, 2020 (A)	**22,088**	**23,853**	**-**	**55**	**(241)**	**-**	**45,755**
Cash activities							
- Payments	(11,207)	(133,325)	(59,854)	(1,450)	(25)	(37,650)	(243,511)
- Proceeds	-	149,640	-	-	103	-	149,743
Total cash activities (B)	**(11,207)**	**16,315**	**(59,854)**	**(1,450)**	**78**	**(37,650)**	**(93,768)**
Non cash actvities							
- Accrued	4,991	-	59,854	2,416	-	-	67,261
- Additons (net of terminations)	11,475	-	-	-	-	-	11,475
- Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	106,772	41,367	-	-	-	37,650	185,789
- Others	-	104	-	(519)	54	-	(361)
Total non cash activites(C)	**123,238**	**41,471**	**59,854**	**1,897**	**54**	**37,650**	**264,164**
Balance as at March 31, 2021 (A+B+C)	**134,119**	**81,639**	**-**	**502**	**(109)**	**-**	**216,151**

*'Borrowings' include long term borrowings, short term borrowings and current maturities of long term borrowings.

#Payment of ₹ 37,642 Mn were made to Vodafone Idea Ltd. and Stamp duty of ₹ 8 Mn paid on account of issue of new equity shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Reconciliation of Cash Flow from financing activities for the year ended March 31, 2020

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Treasury shares	Total
As at April 1, 2019 (A)	**21,548**	**-**	**-**	**-**	**(240)**	**21,308**
Cash activities						
- Payments	(3,382)	-	(30,986)	(1,300)	(46)	(35,714)
- Proceeds	-	23,853	-	-	7	23,860
Total cash activities (B)	**(3,382)**	**23,853**	**(30,986)**	**(1,300)**	**(39)**	**(11,854)**
Non cash actvities						
- Accrued	1,437	-	30,986	1,357	38	33,818
- Additons(net of terminations)	2,485	-	-	-	-	2,485
- others	-	-	-	(2)	-	(2)
Total non cash activites(C)	**3,922**	**-**	**30,986**	**1,355**	**38**	**36,301**
Balance as at March 31, 2020 (A+B+C)	**22,088**	**23,853**	**-**	**55**	**(241)**	**45,755**

* 'Borrowings' include long term borrowings, short term borrowings and current maturities of long term borrowings.

13 Other bank balances

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Fixed deposits with original maturity less than twelve months	-	18
Total	**-**	**18**

14 Other current assets

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Advance to supplier	2,839	1,839
Other taxes recoverable	2,090	429
Prepaid expenses	137	173
Revenue equalisation reserve	521	67
Others	8	16
Total	**5,595**	**2,524**

'Advance to supplier' is net of provision of ₹ 138 Mn (March 31, 2020 - ₹ 63 Mn). 'Other taxes recoverable' is net of provision of ₹ 14 Mn (March 31, 2020 - ₹ 18 Mn)

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

15 Share capital

a. Equity share capital:

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Authorized Shares		
3,550,000,000 equity shares of ₹ 10 each (3,500,000,000 equity shares as at March 31, 2020)	35,500	35,000
Issued, subscribed and fully paid-up shares		
2,694,936,950 equity shares of ₹ 10 each fully paid-up (March 31, 2020 : 1,849,608,246 equity shares)	26,949	18,496
Total	**26,949**	**18,496**

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 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.

Particulars	Dividend w.r.t. financial year	Interim / final dividend	Date of board meeting in which dividend is declared	Rate of dividend per equity share of ₹ 10 each (in ₹)	Total dividend amount (₹ in Mn)
Year ended March 31, 2021	FY 2019-20	3rd Interim	23-Apr-20	4.10	7,583
	FY 2020-21	1st Interim	27-Jul-20	2.30	4,254
	FY 2020-21	2nd Interim	28-Jan-21	17.82	48,023
		Total		**24.22**	**59,860**
Year ended March 31, 2020	FY 2018-19	Interim	24-Apr-19	7.50	13,872
	FY 2019-20	1st Interim	12-Aug-19	3.65	6,751
	FY 2019-20	2nd Interim	10-Dec-19	2.75	5,086
		Total		**13.90**	**25,709**

(Amounts in millions of Indian Rupees, unless stated otherwise)

c. Shares held by Promoters/Parent Company:

Particulars	As at March 31, 2021 (refer note 3 & 54)		As at March 31, 2020	
	No of Shares	Amount	No of shares	Amount
Equity shares of ₹ 10 each fully paid				
Promoters w.e.f. November 19, 2020				
Bharti Airtel Limited (Parent Company till November 18, 2020)*	620,898,728	6,209	620,898,728	6,209
Nettle Infrastructure Investments Limited (Fellow Subsidiary till Nov 18, 2020)*	503,628,998	5,036	368,882,251	3,689
Omega Telecom Holdings Private Limited#	62,180,258	622	-	-
Euro Pacific Securities Ltd#	204,448,241	2,044	-	-
Vodafone Telecommunications (India) Limited#	83,280,998	833	-	-
Trans Crystal Ltd#	74,891,274	749	-	-
Mobilvest#	85,894,365	859	-	-
Prime Metals Ltd#	112,055,285	1,121	-	-
CCII (Mauritius), Inc.#	22,873,771	229	-	-
Asian Telecommunication Investments (Mauritius) Ltd#	50,255,070	503	-	-
Al-Amin Investments Ltd#	41,639,742	416	-	-
Usha Martin Telematics Limited#	20,302,800	203	-	-
Total	**1,882,349,530**	**18,824**	**989,780,979**	**9,898**

*Bharti Airtel Limited along with its wholly owned subsidiary holds 41.73% shares (March 31, 2020 - 53.51%) as on March 31, 2021.

#Vodafone Group Plc. through its indirect wholly owned subsidiary companies holds 28.12% shares (March 31, 2020 - Nil) as on March 31, 2021.

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2021 (refer note 3 & 54)		As at March 31, 2020	
	No of shares	% Holding	No of shares	% Holding
Bharti Airtel Limited	620,898,728	23.04%	620,898,728	33.57%
Nettle Infrastructure Investments Limited	503,628,998	18.69%	368,882,251	19.94%
Euro Pacific Securities Ltd	204,448,241	7.59%	-	-
Silverview Portfolio Investments Pte. Ltd.	130,803,065	4.85%	130,803,065	7.07%
Total	**1,459,779,032**	**54.17%**	**1,120,584,044**	**60.58%**

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (F.Y 2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 36).

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

f. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2017, the Company brought back 47,058,824 equity shares of ₹ 10 each by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share.

g. 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 36.

16 Other equity

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Securities Premium	48,830	48,838
Share Based Payment reserve	41	60
Capital redemption reserve	471	471
Capital reserve	4,536	-
Merger Capital Reserve	(48,901)	-
Treasury Shares	(109)	(241)
General Reserve	72,072	58,298
Retained earnings	54,992	9,554
Other comprehensive income	(111)	(53)
Total	**131,821**	**116,927**

(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 46(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 46(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 and shall form part of the net worth of the company (refer Note 3 and 46(b)).

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

17 Long term borrowings

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Secured		
Term loans from banks*	1,667	-
Unsecured		
Term loans from banks*	25,322	-
	26,989	**-**
Current maturities of long-term borrowing (refer note 24)	**(11,938)**	**-**
Total	**15,051**	**-**

* ₹ 23 Mn has been adjusted towards unamortized upfront fee on borrowings.

Registration of charges

The Group has entered into borrowing arrangements with several lenders under rupee term loan agreements. The security interest set out below ranks pari-passu amongst all secured lenders.

The terms and conditions of all the long-term borrowings are similar and are as follows:

(a) A first charge on pari-passu basis by way of hypothecation of the Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;

(b) A charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and

(c) A first charge on pari-passu over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

Weighted average cost of debt as at March 31, 2021 is 6.05% per annum on term loans from banks.

Repayment of loan

(i) Loan outstanding ₹ 1,250 Mn

As per the repayment schedule in the loan agreement, the Company has to repay loans amounting to ₹ 15,000 Mn availed from bank in 12 quarterly instalments which have commenced from August 2018.

(ii) Loan outstanding ₹ 417 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 5,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from August 2018.

(iii) Loan outstanding ₹ 5,250 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 7,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from August 2020.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

(iv) Loan outstanding ₹ 2,250 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 3,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from September 2020.

(v) Loan outstanding ₹ 14,845 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 17,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from December 2020.

(vi) Loan outstanding ₹ 3,000 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 3,000 Mn availed from bank in 12 equated quarterly instalments which will commence from April 2021.

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.

18 Lease liabilities

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Balance as at the beginning of the year	**22,088**	**21,548**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	106,772	-
Additions during the year	17,069	5,757
Deletions during the year	(5,594)	(3,272)
Interest accrued during the year	4,991	1,437
Payment of lease liabilities during the year	(11,207)	(3,382)
Balance as at the end of the year	**134,119**	**22,088**
Current	21,792	2,414
Non Current	112,327	19,674

19 Other financial liabilities , non-current

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Security deposits	5,236	635
Total	**5,236**	**635**

The above security deposit is the fair value of total security deposit at transaction value for ₹ 7,371 Mn as at March 31, 2021 (March 31, 2020 : ₹ 1,018 Mn)

'Security deposits' includes transaction value of ₹ 3,120 Mn (March 31, 2020 : ₹ 504 Mn) towards amounts received from related parties. For details, refer note 41.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

20 Provisions, non-current

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Asset retirement obligation (ARO)*	14,982	2,805
Gratuity (refer note 35)	637	202
Long-term service award	47	16
Total	**15,666**	**3,023**

* 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, 2021 (refer note 3 & 54)	As at March 31, 2020
Opening Balance	2,805	2,538
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	11,398	-
Provision added during the year	366	56
Provision utilised/adjusted during the year	(129)	(3)
Unwinding of discount	542	214
Closing Balance	**14,982**	**2,805**

Provisions current

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Gratuity (refer note 35)	71	52
Leave encashment	410	148
Total	**481**	**200**

21 Other non-current liabilities

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Deferred operating lease revenue	1,344	258
Unearned revenue (refer note 41)	824	263
Liability for cash settled option (refer note 36)	10	-
Total	**2,178**	**521**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

22 Short term borrowings

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Unsecured		
Bank overdraft*	2	331
Commercial Paper**	17,647	-
Short term loans***	36,655	23,853
Loans from related parties# (refer note 41)	348	-
Total	**54,652**	**24,184**

*The bank overdraft is repayable on demand and carries interest rate of 9.00% (March 31, 2020 : 8.70%) per annum.

**The Commercial paper have been issued to banks and financial institutions and carries interest rate of 3.85% (March 31, 2020 : Nil) per annum.

***The short term loans have been taken from banks and financial institutions and carries interest rate of 4.28% to 7.98% (March 31, 2020 : 7.40% to 8.80%) per annum.

Pursuant to "Indus Scheme" of merger of erstwhile Indus Towers Limited, loan is repayable to related party along with interest in the event of refund/settlement of advance tax/self assessment tax for the assessment Year 2012-13. For details, refer note 46(b).

23 Trade payables

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises*	374	189
- Total outstanding dues other than micro enterprises and small enterprises	32,214	7,883
Total	**32,588**	**8,072**

*Also include outstanding of medium enterprises.

a) Trade Payable include ₹ 130 Mn (March 31, 2020 : ₹ 148 Mn) payable to related parties. For details, refer note 41.

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
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	371	186
Interest due on above	1	-
Total	**372**	**186**
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	2,025	326
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	2	3

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 : (Contd..)

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
The amount of interest accrued and remaining unpaid at the end of each accounting year	3	3
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	3	-

Total payments made to micro, small and medium enterprises amounts to ₹ 12,167 Mn (₹ 644 Mn for the year ended March 31, 2020) out of which ₹ 2,025 Mn (₹ 326 Mn for the year ended March 31, 2020) 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.

24 Other current financial liabilities

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Current maturities of long term borrowing (refer note 17)	11,938	-
Payable to employees	840	241
Creditors for capital expenditure	8,957	2,007
Interest accrued and not due*	502	55
Security deposits	30	-
Book Overdraft	31	3
Other Payables#	936	-
Total	**23,234**	**2,306**

*Interest accrued and not due includes amount pertaining to related parties amounting to ₹ 378 Mn as at March 31, 2021 (March 31, 2020 - Nil). For details, refer note 41 and 53.

#Other payables include amount pertaining to related parties amounting to ₹ 522 Mn as at March 31, 2021 (March 31, 2020: Nil). For details, refer note 41.

25 Other current liabilities

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Statutory Liabilities	3,516	447
Unearned revenue (refer note 41)	871	386
Deferred operating lease revenue	440	60
Liability for cash settled option (refer note 36)	27	2
Others	587	83
Total	**5,441**	**978**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

26 Revenue From Operations

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Sale of services		
Rent (including recoveries for rates and taxes)	88,198	42,329
Energy	51,345	25,101
Total	139,543	67,430

27 Other income

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Interest income (Others)	182	389
Profit on sale of property, plant and equipment	823	384
Miscellaneous income	964	514
Total	1,969	1,287

28 Power and Fuel

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Network	51,508	23,646
Others	28	26
Total	51,536	23,672

29 Employee benefit expenses

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Salaries, wages and bonus*	4,903	2,726
Contribution to provident fund	132	83
Equity settled/cash settled option expense (refer note 36)	26	17
Staff welfare expenses	32	88
Others	33	21
Total	5,126	2,935

* 'Salaries, wages and bonus' includes gratuity and other post-employment benefits. For details, refer note 35.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

30 Repairs and Maintenance

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Repair and maintenance		
- Plant and machinery	7,007	1,986
- Others	239	517
Total	**7,246**	**2,503**

31 Other expenses

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Insurance	263	97
Travelling and conveyance	183	140
Communication expenses	58	32
Legal and professional (refer note below)	724	439
Rates and Taxes	1,175	159
Information technology (IT) expenses	629	403
Provision for doubtful debts and advances (net)	(461)	675
Miscellaneous expenses	465	199
Total	**3,036**	**2,144**

Payment to auditor (net of GST)

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Audit fee	9.4	6.0
Tax audit fee	0.6	-
Other services	2.3	2.1
Reimbursement of expenses	0.8	0.5
Total	**13.1**	**8.6**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

32 Depreciation and amortization expense

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Depreciation	29,752	13,141
Amortization	161	76
	29,913	**13,217**
Less: adjusted with general reserve in accordance with the Scheme of arrangement (refer note 46)	(1,429)	(402)
Total	**28,484**	**12,815**

As per Ind AS 116, operating lease rent has been changed to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. For details, refer note 50.

33 Finance Costs & Income

Finance costs

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Interest cost	2,410	1,357
Bank charges	6	4
Unwinding of discount on asset retirement obligation	543	214
Unwinding of discount on security deposit received	414	338
Interest on Lease Liabilities	4,991	1,437
Total	**8,364**	**3,350**

Finance Income

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Interest income on financial assets carried at amortized cost:		
Interest on bank deposit	16	16
Interest on security deposit paid	328	60
Interest income (others)	169	-
Interest income on financial assets carried at fair value through other comprehensive income:		
Interest on tax free bonds	-	47
Interest income on financial assets carried at fair value through profit or loss:		
Interest on government securities	210	397
Interest on taxable bonds	-	10
Gain/(loss) on investments (including MTM gain/(loss))	1,269	2,840
Total	**1,992**	**3,370**

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(Amounts in millions of Indian Rupees, unless stated otherwise)

34 Earnings per Share (EPS)

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Million)	37,790	32,987
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	2,157,440,073	1,849,025,444
Dilutive effect on weighted average number of equity shares outstanding during the year	96,635	106,483
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	2,157,536,708	1,849,131,927
Basic earnings per share (A/B) (₹)	17.516	17.840
Diluted earnings per share (A/C) (₹)	17.515	17.839

35 Employee benefits

The Group has recognised the following amounts in the statement of profit and loss:

a) Defined contribution plan

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Employer's contribution to provident fund	132	83
Total	**132**	**83**

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 29.

Gratuity

i. Amount charged to the statement of profit and loss:

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Service cost	61	35
Interest cost	30	16
Total	**91**	**51**

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ii. Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The assumptions used to determine the benefit obligation are as follows:-

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Discount rate	6.80%	6.90%
Expected rate of increase in compensation levels	8.50%	9.00%
Expected average remaining working lives of employees (years)	20.36	21.99

Demographic assumption

Assumptions regarding future mortality are based on published statistics and mortality tables (IALM (2012-14) for the year ended March 31, 2021.

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, 2021 are as shown below:

Age (Years)	Rates
Upto 30 years	11.35%
From 31 - 44 years	7.29%
Above 44 years	8.29%

iii. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Present value of benefit obligation at the beginning of year	254	204
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	480	-
Service cost	61	35
Interest cost	30	16
Benefits paid	(89)	(13)
Actuarial (gain)/ loss	(27)	16
Acquisition Adjustment	(1)	(4)
Present value of benefit obligation as at the end of year	**708**	**254**

(Amounts in millions of Indian Rupees, unless stated otherwise)

iv. Amount recognised in Other Comprehensive Income

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Opening net cumulative unrecognized gain/(loss)	(19)	(3)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(155)	-
Actuarial gain/(loss)	27	(16)
Unrecognized actuarial gain/(loss) at the end of year	**(147)**	**(19)**

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 ₹ 154 Mn (March 31, 2020 : ₹ 52 Mn).

viii. The Maturity profile of defined benefit obligation is as follows :

Period	Amount
April 2021 - March 2022	71
April 2022 - March 2023	58
April 2023- March 2024	53
April 2024- March 2025	59
April 2025 onwards	467

ix. Sensitivity analysis

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Discount rate	+1%	+1%	(53)	(19)
	-1%	-1%	57	22
Salary Growth rate	+1%	+1%	56	21
	-1%	-1%	53	(18)

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.

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36 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 and 2020-21, the Group has announced Long term incentive plan (LTIP) 2015, Long term incentive plan (LTIP) 2016, Long term incentive plan (LTIP) 2017, Long term incentive plan (LTIP) 2018, Long term incentive plan (LTIP) 2019-20 and Long term incentive plan (LTIP) 2020-21 respectively 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 (₹)	Classification / accounting treatment
Group	**Equity settled Plans**						
	ESOP Scheme 2008	2008 Plan	2	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)	5	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2017)	11	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2018)	33	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2019-20)	107	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2020-21)	491	1 - 3	7	10	Equity settled
	Cash settled Plans						
	Scheme 2013	Performance Unit Plan (2013 and 2014)	7	1 - 3	7	-	Cash settled

(Amounts in millions of Indian Rupees, unless stated otherwise)

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Group:

Particulars	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%
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%

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Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of stock options (in '000)	Exercise price (₹)	Number of stock options (in '000)	Exercise price (₹)
Plan 2008				
Outstanding at beginning of the year	46	110	58	110
Granted	-	-	-	-
Forfeited	(1)	110	(2)	110
Exercised	(43)	110	(10)	110
Outstanding at the year end	2	110	46	110
Exercisable at end of the year	2	110	46	110
Cash settled Plan (2013 and 2014)				
Outstanding at beginning of the year	7	NA	23	NA
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	NA	(16)	NA
Outstanding at the year end	7	NA	7	NA
Exercisable at end of the year	7	NA	7	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	12	10	17	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(8)	10	(4)	10
Outstanding at the year end	4	10	12	10
Exercisable at end of the year	4	10	12	10
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	20	10	46	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(15)	10	(25)	10
Outstanding at the year end	5	10	20	10
Exercisable at end of the year	5	10	20	10
LTI Plan 2015 (Grant 2017)				
Outstanding at beginning of the year	44	10	74	10
Granted	-	-	-	-
Forfeited	-	-	(5)	10
Exercised	(33)	10	(24)	10
Outstanding at the year end	11	10	44	10
Exercisable at end of the year	11	10	15	10

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Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of stock options (in '000)	Exercise price (₹)	Number of stock options (in '000)	Exercise price (₹)
LTI Plan 2015 (Grant 2018)				
Outstanding at beginning of the year	122	10	158	10
Granted	-	-	-	-
Forfeited	(7)	10	(13)	10
Exercised	(82)	10	(22)	10
Outstanding at the year end	33	10	122	10
Exercisable at end of the year	10	10	25	10
LTI Plan 2015 (Grant 2019-20)				
Outstanding at beginning of the year	135	10	-	-
Granted	-	-	135	10
Forfeited	(28)	10	-	-
Exercised	-	-	-	-
Outstanding at the year end	107	10	135	10
Exercisable at end of the year	64	10	-	-
LTI Plan 2015 (Grant 2020-21)				
Outstanding at beginning of the year	-	-	-	-
Granted	491	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	491	10	-	-
Exercisable at end of the year	-	-	-	-

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Particulars	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (₹)		Weighted average share price for the options exercised during the year ended (₹)	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Equity settled plans						
Plan 2008	0.66	1.29	-	-	229.73	251.92
LTI plan 2015	4.33	4.94	-	-	208.17	251.16
LTI plan 2016	4.61	5.71	-	-	202.74	247.60
LTI plan 2017	5.38	6.81	-	-	190.46	248.78
LTI plan 2018	6.94	7.58	-	-	186.39	247.85
LTI plan 2019-20	7.53	8.53	-	131.03	-	-
LTI plan 2020-21	8.44	-	246.64	-	-	-
Cash settled plans						
PUP 2013 & 2014	3.33	4.33	-	-	-	-

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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 2020-21) As at March 31, 2021	LTIP Plan 2015 (Grant 2019-20) As at March 31, 2020
Risk free interest rates	3.23% to 6.32%	4.2% to 6.56%
Vesting period	30 months	28 months
Weighted average share price (₹)	246.64	131.03
Volatility	56.33%	28.26%
Dividend yield	7.70%	7.06%

(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 (₹)	Classification / accounting treatment
SAR Plan 2	Grant 7 (Aug 2018)	34.09	1 - 3	7	1	Cash settled
	Grant 8 (Aug 2019)	51.31	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%

(Amounts in millions of Indian Rupees, unless stated otherwise)

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2021 (refer note 3 & 54)	
	Number of stock options	Exercise price (₹)
Performance Unit Plan (Grant 7 & Grant 8)		
Outstanding as on effective date of Merger	85	1
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at the year end	85	1
Exercisable at end of the year	-	-

Remaining contractual life for the options outstanding as of March 31, 2021 is 4.33 years and 5.33 years for Grant 7 and Grant 8 respectively.

Erstwhile Indus Towers Limited granted stock options under the SAR plan 2 to the eligible employees of the Company and the valuation as on March 31, 2020 i.e. before the effective date of merger on the basis of valuation of the erstwhile Indus. Considering the continuation of the same scheme post-merger, the valuation of options has been carried at the same value on the reporting date i.e March 31, 2021, considering all other factors remaining unchanged. The outstanding liability and expense accrual on the plan is not material commensurating the employee benefit expense of the company.

Notes:

(i) Total employees stock/cash options expense recognised for the year ended March 31, 2021 and March 31, 2020 is ₹ 26 Mn and ₹ 17 Mn respectively.

(ii) The Group has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of ₹ 625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] had acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share in financial year of its incorporation i.e. FY 2014-15.

During the year ended March 31, 2021, the Trust has acquired 107,170 shares at a price of ₹ 235.76 per share and sold 497,532 shares at a price of ₹ 207.25 per share and 159,141 equity shares of ₹ 10 each and 43,384 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options. As of March 31, 2021, the Trust holds 145,090 shares (of Face Value of ₹ 10 each) (March 31, 2020 - 737,977 shares) of the Company.

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Reconciliation of numbers of shares held by ESOP Trust

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Number of Shares		(₹ Million)	
Opening balance	737,977	636,660	235	240
Purchased during the year	107,170	237,000	25	46
Share sold during the year	(497,532)	(35,330)	(173)	(13)
Issued during the year	(202,525)	(100,353)	(54)	(38)
Closing balance	**145,090**	**737,977**	**33**	**235**

37 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 ₹ 88,198 Mn and ₹ 42,329 Mn for the year ended March 31, 2021 and March 31, 2020 respectively.

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Future minimum lease income receivable:		
Not Later than one year	152,394	35,396
Later than one year but not later than five years	327,870	103,938
Later than five years	138,425	34,267
Total	**618,689**	**173,601**

38 Contingencies & Capital Commitments

a) Guarantees

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Guarantees issued by banks and financials institutions on behalf of the Group	892	53
Total	**892**	**53**

The financial bank guarantees have been issued to regulatory authorities.

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b) Claims against the Group not acknowledged as debt

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
Sales tax (refer to a below)	25,879	2
Stamp duty (refer to b below)	224	192
Entry tax (refer to c below)	2,352	1,966
Municipal taxes (refer to d below)	8,391	1,817
Service tax (refer to e below)	39,964	16,631
(ii) Income tax matters (refer to f below)	38,592	247
(iii) Other claims under legal cases including arbitration matters (refer to g below)	2,879	139
Total	**118,281**	**20,994**

Unless otherwise stated below, the management, based on legal advice, believes that, the outcome of these contingencies will be favorable and loss is not probable.

a) Sales tax/VAT

The claims for sales tax comprise mainly of the case relating to levy of VAT on right to use in goods, demand in vehicle seizure case & non submission of concessional forms.

b) Stamp duty

The Group had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. The Group has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam and amended the pending petitions in the states of Mizoram, Bihar and Jammu & Kashmir. Pending disposition of each case by the High Courts, the Group has decided to maintain 'Status Quo' on its position/assessment.

During the financial year 2019-20, the Company has opted Bihar Settlement Scheme to settle the pending Entry tax litigation pertaining to the year 2008-09 to 2017-18 amounting to ₹ 1041 Mn, out of which a provision of ₹ 574 Mn has been recognized. Department has rejected the applications against which the Company has filed writ petition, pending for hearing before Hon'ble Patna High Court.

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d) 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.

e) Service tax

The Service Tax Department had issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services under pre GST regime. The Group has filed writ petition before Hon'ble High Court of Delhi which was allowed in favour of the Company vide order dated October 31, 2018 wherein it was held that towers are movable in nature and Cenvat credit can be availed on receipt of such goods. Further, Department has filed SLP before Hon'ble Supreme Court against the favorable order of Delhi High Court. The Hon'ble Supreme Court has tagged the SLP with pending matter on similar issue of telecom operators.

On the similar matter, there are contrary judgements by the Hon'ble High Court of Bombay in the case of few 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 Group has filed appeal before CESTAT, pending for hearing.

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 Group has filed appeal before CESTAT, pending for hearing.

f) Income tax matters

This pertains to tax demands mainly on account of disallowance of depreciation on PIA assets transfer under merger scheme, provision for expenditure, Depreciation on Provisional capitalization, expenditure u/s 14A related to exempt income etc. In these cases, the possibility of tax demand materializing is remote, based on internal assessment of the Company.

g) Other claims mainly include site related legal disputes

Amount assessed as contingent liability includes interest and penalty as demanded by various authorities and vendors, it doesn't include interest liability that could claimed by authorities in case of unfavorable orders. Further, show cause notices relating to the Direct and Indirect taxes have neither been acknowledged as claims nor considered as contingent liabilities.

c) Capital Commitment

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	6,486	1,636
Total	**6,486**	**1,636**

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39 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	
	March 31, 2021 (refer note 3 & 54)	March 31, 2020	March 31, 2021 (refer note 3 & 54)	March 31, 2020
Financial Assets				
- At fair value through profit or loss				
Investment in mutual funds	19,773	51,443	19,773	51,443
Investment in government securities	2,941	2,940	2,941	2,940
- At amortised cost				
Cash and cash equivalents	145	1,452	145	1,452
Other bank balances	-	18	-	18
Trade receivables	38,285	3,672	38,285	3,672
Other financial assets	40,092	5,916	40,092	5,916
	101,236	**65,441**	**101,236**	**65,441**
Financial Liabilities				
- At amortised cost				
Borrowings	69,703	24,184	69,703	24,184
Lease liabilities	134,119	22,088	134,119	22,088
Trade payables	32,588	8,072	32,588	8,072
Other financial liabilities	28,470	2,941	28,470	2,941
	264,880	**57,285**	**264,880**	**57,285**

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, variable rate long term borrowings, trade payables approximate their fair value mainly due to the short-term maturities of these instruments/ being subject to floating rates.

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 quoted market price / net asset values at the reporting date.

iii) The fair value of security deposits included in other financial assets & other financial liabilities, lease liabilities and fixed rate long term borrowings (if any) is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities (other than security deposits) are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

There are no significant unobservable inputs used in the fair value measurement.

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(Amounts in millions of Indian Rupees, unless stated otherwise)

40 Fair value hierarchy

All financial instruments for which value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted parts included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
	Level 1	Level 1
Financial Assets		
- At fair value through profit or loss		
- Investments in mutual funds	19,773	51,443
- Investments in government securities	2,941	2,940
	22,714	**54,383**

No financial assets have been classified into Level 2 and Level 3 fair value measurements.

Further, during the year ended March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

41 Related party Disclosures:

In accordance with the requirements of Ind AS - 24 “Related Party Disclosures”, the names of the related parties where control exists and/ or with whom transactions have taken place during the period and description of relationships, as identified and certified by the management are as below:

a) List of related parties

i. Key management personnel (KMP)

Bimal Dayal, Managing Director and CEO w.e.f January 08, 2021 (CEO w.e.f November 19, 2020 and earlier he was appointed as Managing Director w.e.f October 22, 2020 till the effective date of merger i.e November 19, 2020)

Vikas Poddar, Chief Financial Officer (w.e.f January 12, 2021)

Pooja Jain, Chief Financial Officer (w.e.f June 04, 2020 till November 30, 2020)

Samridhi Rodhe, Company Secretary

Akhil Kumar Gupta, Chairman (till November 19, 2020)

D.S. Rawat, Managing Director and CEO (till August 03, 2020)

S. Balasubramanian, Chief Financial Officer (till December 05, 2019)

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

ii. Related parties where control existed (till November 18, 2020) irrespective of whether transactions have occurred or not:

Ultimate Holding Company — Bharti Enterprises Holding Pvt. Ltd.

(It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company)

Parent Company — Bharti Airtel Limited

iii. Related parties where control exists w.e.f. from November 19, 2020:

Relationship	Related Party
Promoter Group (w.e.f November 19, 2020)	Bharti Airtel Limited (Parent Company till November 18, 2020)
	Nettle Infrastructure Investments Limited (Fellow Subsidiary till November 18, 2020
	Omega Telecom Holdings Private Limited
	Euro Pacific Securities Ltd
	Vodafone Telecommunications (India) Limited
	Trans Crystal Ltd
	Mobilvest
	Prime Metals Ltd
	CCII (Mauritius), Inc.
	Asian Telecommunication Investments (Mauritius) Ltd
	Al-Amin Investments Ltd
	Usha Martin Telematics Limited

iv. Other related parties where control exists and with whom transactions have taken place during the year:

Relationship	Related Party
Joint Venture	Erstwhile Indus Towers Limited (ceased to exist and merged into the company w.e.f November 19, 2020)
Entities having significant influence [includes Subsidiaries and Joint Venture of the entity to which the Company is a JV]	Bharti Hexacom Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Bharti Telemedia Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Nextra Data Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Bharti Airtel Services Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Vodafone Idea Limited (w.e.f. November 19, 2020)

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

b) Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Group with promoter group, entities having significant influence over the Group and erstwhile joint venture. The transactions with these related parties for year ended March 31, 2021 and March 31, 2020 and balances as at March 31, 2021 and March 31, 2020 are described below:

Particulars	Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2021*	2020	2021*	2020	2021*	2020
Relationship	Promoters		Entities having significant influence		Erstwhile Joint venture	
Nature of transaction						
Prepayment received	-	-	(24,000)	-	-	-
Sale of property, plant & equipment	-	3	-	3	-	-
Revenue from operations**	79,518	42,250	49,308	3,425	-	-
Purchase of property, plant & equipment	-	-	-	(25)	-	-
Procurement of services/Reimbursement of expenses	(265)	(171)	(87)	(37)	(2)	11
Security deposit received	(15)	(21)	(7)	(1)	-	-
Security deposit refunded	18	1,455	26	119	-	-
Commission paid	-	-	-	-	(55)	(93)
Dividend received	-	-	-	-	4,200	-
Dividend paid/declared	(26,373)	(13,757)	(13,504)	-	-	-
Interest Expense	-	-	(900)	-	-	-
Interest Income	-	-	169	-	-	-
Share capital issued	(7,578)	-	-	-	-	-
	45,305	**29,759**	**11,005**	**3,484**	**4,143**	**(82)**

*Refer note 3 and 54

** Inclusive of GST and interest income on exit EMI and represents gross billed and unbilled transactions recorded during the year.

	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2021*	As at March 31, 2020
Relationship	Promoters		Entities having significant influence		Erstwhile Joint venture	
Trade payables	(123)	(116)	(7)	-	-	(32)
Other liabilities	(950)	(400)	(745)	(55)	-	-
Other financial assets	11,003	2,823	14,950	224	-	-
Trade receivables #	20,488	2,601	46,452	1,461	-	-
Short term borrowings	-	-	(348)	-	-	-
Other financial liabilities	(1,431)	(468)	(2,589)	(40)	-	-
	28,987	**4,440**	**57,713**	**1,590**	**-**	**(32)**

*Refer note 3 and 54

#Represents gross billed transactions outstanding at the end of the year.

As at March 31, 2021, the Group has outstanding provision for doubtful debts pertaining to related parties amounting to ₹ 2,546 (March 31, 2020: Nil).

Figures in bracket indicate liability and figures without bracket indicates assets.

Notes to Consolidated Financial Statements
(Amounts in millions of Indian Rupees, unless stated otherwise)

Payments made to Key management personnel/ non executive directors:

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Short-Term employee benefits (including salary and commission)	140	129
Post-Employment benefits	8	26
Termination benefits	465	-
Share based payment	4	7
Total	**617**	**162**

Amount received from KMP for ESOP exercised during the year ended March 31, 2021 is Nil* (March 31, 2020: 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 53.

42 The Group is engaged in the business of establishing, operating and maintaining wireless communication towers. This is the only activity performed and there are no components of the Company that may be identified as a reportable segment. Further, as the Group does not operate in more than one geographical segment, the relevant disclosures as per Ind AS 108, "Operating Segments" are not applicable to the Company on a standalone basis.

43 Items of income and expenditure exceeding 1% of revenue from operations

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Power and Fuel	51,508	23,664
Salaries, wages and bonus	4,903	2,726
Repair and maintenance - Plant and machinery	7,007	1,986
Provision for doubtful debts and advances (net)	(461)	683
Depreciation and amortization expense	28,484	12,774
Interest cost	2,410	1,357
Interest on Lease Liabilities	4,991	1,421
Share of profit of joint venture	8,663	13,805
Gain/(loss) on investments (including MTM gain/(loss))	1,269	2,840

44 Interest in Joint Venture

The Group had a 42% interest in erstwhile Indus Towers Limited, a joint venture involved in establishing, operating and maintaining wireless communication towers in India. The Group's interest in erstwhile Indus Towers Limited was accounted for till November 18, 2020 using the equity method in the consolidated financial statements. Pursuant to the merger, the Joint venture entity has been merged in to the Company w.e.f November 19, 2020 and become part of the Company (refer note 3).

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Summarised financial information of erstwhile Indus Towers Limited based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements is as follows: -

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
Non Current Assets	-	**278,070**
Current Assets		
Cash and cash equivalents	-	1,355
Other current assets (excluding cash and cash equivalents)	-	59,816
Total current assets	-	**61,171**
Total assets	-	**339,241**
Liabilities		
Non current liabilities		
Borrowings	-	1,667
Other non current liabilities	-	110,011
Total non current liabilities	-	**111,678**
Current liabilities		
Borrowings	-	36,254
Other current liabilities	-	54,838
Total current liabilities	-	**91,092**
Equity	-	**136,471**
Total Equity and Liabilities	-	**339,241**
Percentage of group's ownership interest		42%
Interest in joint venture		57,318
Carrying amount of investment		**57,318**

Summarised information on statement of profit and loss	For the period from April 1, 2020 to November 18, 2020	Year ended March 31, 2020
Revenue	117,241	188,281
Other Income	1,027	1,489
Power and fuel	(44,293)	(73,066)
Employee expenses	(2,982)	(4,919)
Repairs and maintenance	(7,124)	(10,843)
Other expenses	(3,678)	(9,160)
Depreciation and amortisation	(24,909)	(39,895)
Finance cost	(8,027)	(12,601)
Finance Income	379	630
Income tax expense	(7,007)	(7,047)
Profit for the period/year	**20,627**	**32,869**
Other comprehensive income for the period/year	(16)	(22)
Percentage of group's ownership interest	42%	42%
Group's share in joint venture's profit for the period/year	8,663	13,805
Group's share in joint venture's other comprehensive income for the period/year	(7)	(9)
Group's share in joint venture's total comprehensive income for the period/ year	8,656	13,796
Dividend received from joint venture	**4,200**	**-**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

45 Additional information, as required under Schedule III to the companies act, 2013 for entities consolidated as subsidiary, controlled trust and joint ventures

Particulars	FY 2020-21								FY 2019-20							
	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent																
Indus Towers Limited (Formerly Bharti Infratel Limited)	100%	158,973	79%	33,382	154%	20	79%	33,402	71%	138,810	56%	17,466	92%	(110)	56%	17,356
Subsidiary																
Smartx Service Limited	0%	-	0%	(55)	0%	-	0%	(55)	0%	25	0%	(59)	0%	-	0%	(59)
Joint Venture (as per equity method)																
- **Indian**																
Erstwhile Indus Towers Limited (ceased to exist, and merged into the company w.e.f November 19, 2020)	-	-	21%	8,663	(54)%	(7)	21%	8,656	29%	57,318	44%	13,805	8%	(9)	45%	13,796
Controlled Trust																
Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)	0%	(53)	0%	42	-	-	0%	42	0%	(191)	0%	(107)	0%	-	0%	(107)
Total (Gross)	**100%**	**158,920**	**100%**	**42,032**	**100%**	**13**	**100%**	**42,045**	**100%**	**195,962**	**100%**	**31,105**	**100%**	**(119)**	**100%**	**30,986**
Adjustment arising out of consolidation	-	(150)	-	(4,242)	-	-	-	(4,242)	-	(60,539)	-	1,882	-	-	-	1,882
Total (net)		**158,770**		**37,790**		**13**		**37,803**		**135,423**		**32,987**		**(119)**		**32,868**

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

46 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 ₹ 73,792 Mn was recognised on account of fair value adjustments as on April 1, 2009. Further, the General reserve amounting to ₹ 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 ₹ 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 ₹ 73,257 Mn has been recognised in the Company at the carrying value on the effective date of merger i.e. November 19, 2020. The incremental depreciation for the period from November 19, 2020 to March 31, 2021 aggregating to ₹ 1,133 Mn (includes ₹ 589 Mn on account of alignment of accounting practices and estimates) has been adjusted against the General Reserve arising out of the Scheme.

Had the scheme approved by the Hon'ble High Court of Delhi did not prescribe the accounting treatment mentioned above, these amounts would have been recognized in the statement of profit and loss.

(Amounts in millions of Indian Rupees, unless stated otherwise)

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 ₹ 4,695 Mn, total liabilities of ₹ 159 Mn and the resultant difference of ₹ 4,536 Mn has been recognised as a Capital Reserve. Further, pursuant to Indus Scheme (refer note 46(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.

47 Charity and Donation

(i) Corporate Social Responsibility (CSR)

As per the requirements of section 135 of the Companies Act, 2013, the Group was required to spend an amount of ₹ 478 Mn and ₹ 477 Mn for the year ended March 31, 2021 and March 31, 2020 respectively on account of Corporate Social Responsibility.

The Group has spent an amount of ₹ 706 Mn and ₹ 477 Mn during the year ended March 31, 2021 and March 31, 2020 respectively. Details of amount spent during the year are given below:

Details of amount spent during the year ended March 31, 2021 and March 31, 2020 are given below

Sectors in which project is covered	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Contribution to PM Cares Fund (Covid)	251	-
Education & Skill Development	452	346
Sanitation Initiatives	-	130
Monitoring and Administration	3	1
Total	**706**	**477**

As per the requirements of section 135 of the Companies Act, 2013, erstwhile Indus Towers Limited was required to spend an amount of ₹ 867 Mn for the financial year 2020-21 and has spent ₹ 794 Mn up to the date of merger with the Company i.e. November 19, 2020 (refer note 3). The shortfall of erstwhile Indus of 73 Mn has been contributed by the Company.

Further, during the year ended March 31, 2021, the Group has spent ₹ 155 Mn (excess spent of the Group by ₹ 228 Mn adjusted with shortfall of erstwhile Indus of ₹ 73 Mn) over and above CSR obligation required to be spent by the Group which can be set off with next year's CSR obligation as per the Companies (CSR Policy) Amendment Rules, 2021.

(ii) "In addition to above, Charity and donation includes ₹ 100 Mn paid to Prudent Electoral Trust (FY 2019-20: ₹ 120 Mn paid to Electoral Bond Scheme 2018) and other donation of Nil (FY 2019-20: ₹ 1 Mn).

48 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.

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(Amounts in millions of Indian Rupees, unless stated otherwise)

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 Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and Group's risk appetite. The Group has not entered into any derivative transactions. All derivative activities if any, for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

- **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in mutual funds, Government Securities, fixed deposits and loans and borrowings etc.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

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 Company's interest bearing financial instrument is at its fair value:

Particulars	As at March 31, 2021 (refer note 3 & 54)	As at March 31, 2020
Variable rate instruments		
Long term borrowings	15,051	-
Current maturities of long term borrowing	11,938	-
Total	**26,989**	**-**

(Amounts in millions of Indian Rupees, unless stated otherwise)

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, 2021	+ 100	(89)
	- 100	89
For the year ended March 31, 2020	+ 100	NA
	- 100	NA

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 ₹ 5 Mn (USD 0.06 Mn) included in trade payable as at March 31, 2021 (March 31, 2020: Nil). The Group has not entered into any derivative arrangements during the year ended March 31, 2021.

Price risk

The Group invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid & Money Market schemes of mutual funds (liquid investments) and higher duration short term debt funds.

These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Group manages the price risk through diversification from time to time.

- **Credit risk**

  Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

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Trade receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15/30 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Within due date	Less than 6 months	More than 6 months	Subtotal	Allowance for doubtful receivables	Total
Trade receivables as at March 31, 2021 (refer note 3 & 54)	24,706	14,197	4,232	43,135	(4,850)	**38,285**
Trade receivables as at March 31, 2020	524	3,693	357	4,574	(902)	**3,672**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as given in Note 39.

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 Company's financial liabilities based on contractual undiscounted payments:-

Particulars	As at March 31, 2021(refer note 3 & 54)						
	Carrying Amount	Contractual	Less than 6 Months	6 to 12 months	1 to 2 years	> 2 years	Total
Long term borrowings*	26,989	28,982	7,502	5,665	10,893	4,922	28,982
Short term borrowings**	54,652	54,911	54,911	-	-	-	54,911
Lease Liabilities	134,119	199,299	17,642	12,411	23,093	146,153	199,299
Trade payables	32,588	32,588	32,588	-	-	-	32,588
Other financial liabilities #	16,532	18,665	11,464	2,029	149	5,023	18,665
Total	**264,880**	**334,445**	**124,107**	**20,105**	**34,135**	**156,098**	**334,445**

*Include long term borrowings, current maturities of long term borrowings and committed interest payments on such borrowings.

**Include short term borrowings and committed interest payments on such borrowings.

Include both non-current and current financial liabilities and exclude current maturities of long term borrowings.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	As at March 31, 2020						
	Carrying Amount	Contractual	Less than 6 Months	6 to 12 months	1 to 2 years	> 2 years	Total
Short term loans	24,184	24,184	24,184	-	-	-	24,184
Lease Liabilities	22,088	32,483	1,746	1,717	3,244	25,776	32,483
Trade payables	8,091	8,091	8,091	-	-	-	8,091
Other financial liabilities	2,866	3,269	2,285	36	23	925	3,269
Total	**57,229**	**68,027**	**36,306**	**1,753**	**3,267**	**26,701**	**68,027**

Collateral

The Company has created a charge in favour of the lenders for loans. Refer note 17 for details.

- **Capital management**

For the purpose of Group's Capital management, Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's gearing ratio was as follows:

Particulars	Year ended March 31, 2021 (refer note 3 & 54)	Year ended March 31, 2020
Total borrowings	81,641	24,184
Less: Investments	(22,714)	(54,383)
Less: Cash and cash equivalents	(145)	(1,452)
Net debt	**58,782**	**(31,651)**
Total equity	**158,770**	**135,423**
Gearing ratio	**37.02%**	**(23.37)%**

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, 2021.

49 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group. Further, the amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2021 is Nil.

50 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Due to the implementation of Ind AS 116, the nature of expense has been changed from operating lease rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

Notes to Consolidated Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

51 The Ministry of home affairs vide order No.40-3/2020 dated 24.03.2020 notified telecommunication services among the essential services which continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organisation. The passive infrastructure as well as active telecom operations of the Group's customers are covered under essential services which are actively engaged in fulfilling the surge in demand arising out of the choice exercised by almost all industries to conduct their operations remotely. Hence, the telecom industry is among the businesses that are least impacted due to COVID-19. The Group believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Group. Further, the Group is not expecting any change in estimates as of now as the Group is running its business and operations as usual without any major disruptions.

52 The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited the suggestions from stakeholders. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53 A large customer of the Group accounts for substantial part of net sales for the period ended March 31, 2021 and also constitutes a significant part of trade receivables outstanding as at March 31, 2021.

The said customer in its declared results for the quarter and nine months period ended December 31, 2020, had expressed its ability to continue as going concern to be dependent on successful negotiations with lenders and its ability to generate the cash flow from operations that it needs to settle/ refinance its liabilities and guarantees as they fall due. The said customer in the meeting held on September 4, 2020 has approved the fund-raising plan up to ₹ 250,000 Mn.

By virtue of Indus-Infratel merger, the said customer agreed that the payment of outstanding dues under the MSAs would be settled partly by way of upfront payment which has been received on November 19, 2020 and partly by way of payment in 4 equal installments along with interest @ 6% per annum, out of which all installments have been received during the year ended March 31, 2021. Furthermore, the said customer made an interest bearing (6% per annum) prepayment of ₹ 24,000 Mn to the Group towards its future obligations under MSA. The Company has been adjusting the prepayment of ₹ 24,000 Mn towards undisputed dues and amounts falling due after subsequent dispute.

Additionally, the payment obligations of the said customer are secured through a share pledge agreement whereby, subject to terms of the agreement, the Company has created a primary pledge over 190,657,769 shares held in the Company by one of the promoters who is also the promoter of the said customer.

In addition, the Company will have a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the Company and the corporate guarantee by such promoter which can get triggered in certain situations and events in the manner agreed between the parties up to a maximum of ₹ 42,500 Mn. Pursuant to such security and the guarantee by the promoter group of such customer, uncertainty in regard of recovery of trade receivables for the next one year has been mitigated. Basis the security package, the Company has recognized contractual exit charges as and when it gets due.

However, the loss of the significant customer or the failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the Group.

54 Financial statements for the year ended March 31, 2021 are not comparable with the previous year due to the facts as mentioned in note 3. Previous year figures have been regrouped/ rearranged wherever necessary to conform to the current year grouping.

Standalone Financial Statements

Independent Auditor's Report

To
The Members of Indus Towers Limited
(formerly Bharti Infratel Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter Material uncertainty arising out of certain developments and its consequential impact on business operations

We draw your attention to note 51 of the standalone financial statements, which describes the effect on business operations and financial position of the Company on account of the one of the largest customer's ability to continue as going concern. The Customer's assumption of going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow from its operations that it needs to settle/refinance its liabilities and guarantees as they fall due. The Board of Directors of the customer, at their meeting held on 4 September 2020 have approved the fund-raising plan of up to ₹ 250,000 million.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition – accuracy of revenue recorded** 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.	**Principal audit procedures performed:** Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over: • Capture and recording of revenue transactions; • Authorisation of rates changes and input of the rate changes into the billing systems;

S. No.	Key Audit Matter	Auditor's Response
	(Refer to note 4.1(i) and 26 to the standalone financial statements)	• Preparation and validation of the billing schedule; and • Calculations of amounts billed to operators, in line with underlying contracts / agreements; 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; 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;
2	**Contingent Liabilities and Provisions: Disputed tax matters** Company is subjected to a number of significant income tax litigations and indirect tax litigations ("litigations") which are in appeal before various judicial forums. The eventual outcome of these litigations are uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements. 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. (Refer to note 4.1(p)(ii) and note 38(b) to the standalone financial statements)	**Principal audit procedures performed:** 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. We obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of these tax litigations. We involved our internal direct and indirect tax experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice obtained by management, if any, and considered relevant legal provisions and available precedents to challenge management's underlying assumptions in estimating the possible outcome of these litigations; and We assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.
3	**Accounting for business combination** Effective November 19, 2020, erstwhile Indus Towers Limited and Bharti Infratel Limited merged pursuant to scheme of amalgamation and arrangement which resulted into formation of a joint arrangement between existing shareholders of both companies. The Company accounted for the merger under the pooling of interest method. We have determined this to be a key audit matter in view of complexity involved in selection of method of accounting for formation of the joint arrangement. (Refer to note 3 to the standalone financial statements)	**Principal audit procedures performed:** We read and examined the scheme of amalgamation and arrangement pursuant to which merger was carried out along with regulatory approvals required for the scheme to take effect. We evaluated the appropriateness of pooling of interest method of accounting adopted by the management to account for the merger, with reference to the requirements of the accounting principles generally accepted in India. We have assessed the adequacy and appropriateness of the disclosures around selection of method of accounting for this transaction in accordance with the accounting standards.

Information Other than the Financial Statements and Auditor’s Report Thereon

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report, Business Responsibility Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditor’s report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management’s Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

h) 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.

i) 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 38(b) to the standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 46 to the standalone financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 47 to the standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)
UDIN: 21094468AAAADC5493

Place: Gurugram
Date: April 22, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)
UDIN: 21094468AAAADC5493

Place: Gurugram
Date: April 22, 2021

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and capital work in progress 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) According to the information and explanations given to us, the title deeds comprising the immovable property of land included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Sales Tax, Service Tax, Entry tax, Value Added Tax and Goods and Services Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statue	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (₹ in Mn)[#]
The finance Act, 1994	Service Tax on Capital Goods	FY 2007-08 to 2014-15	Hon'ble Supreme Court of India	35,392
The finance Act, 1994	Service Tax on Service Revenue	FY 2009-10 to 2014-15	The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh	1,593
The finance Act, 1994	Service Tax on sale of Capital Goods	FY 2014-15 to 2015-16	Hon'ble Supreme Court of India	150
The finance Act, 1994	Service Tax on sale of Capital Goods	FY 2013-14 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal, Chandigarh	1,299
The finance Act, 1994	Service Tax on sale of Capital Goods	FY 2010-11 to 2014-15	The Custom, Excise and Service Tax Appellate Tribunal, Delhi	1,125

Name of Statue	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (₹ in Mn)#
The Income Tax Act, 1961	Corporate Tax	FY 2009-10 to 2013-14 and FY 2015-16 to 2017-18	Commissioner of Income Tax (Appeals), Delhi	36,042
The Income Tax Act, 1961	Corporate Tax	FY 2007-08 to FY 2018-19	Assessing Officer (TDS)	2
The Tamil Nadu Value Added Tax, 2006	VAT on service Revenue	FY 2008-09 to 2010-11	High court of madras	6,171
The Gujarat Value Added Tax, 2003	VAT on service Revenue	FY 2009-10 to 2014-15	Hon'ble Supreme Court of India	5,270
The Gujarat Value Added Tax, 2003	VAT on service Revenue	FY 2015-16	Gujarat Value Added Tax Tribunal, Ahmedabad	4,326
The Gujarat Value Added Tax, 2003	VAT on service Revenue	FY 2014-15, 2016-17 & 2017-18	Deputy Commissioner (Appeals), Ahmedabad	9,807
Uttar Pradesh VAT Act, 2008	Penalty case	FY 2017-18	Deputy comm. of commercial Taxes	*
Maharashtra VAT Act, 2002	Non-Receipt of F-Forms	FY 2012-13 & 2013-14	JC of Sales Tax (Appeal)	*
Kerala VAT Act, 2003	Assessment order	FY 2014-15	State Tax Officer (Works Contract)	96
Uttar Pradesh Value Added Tax Act, 2008, Madhya Pradesh VAT Act, 2002, Tripura VAT Act, Haryana CST Act	Assessment	FY 2010-11, FY 2014-15 & FY 2015-16	Tax Appellate Authority	*
Uttar Pradesh Value Added Tax Act, 2008	Assessment	FY 2010-11	Additional Commissioner Appeals, Lucknow	*
Uttar Pradesh Value Added Tax Act, 2008, Andhra Pradesh VAT	Assessment	FY 2008-09	Deputy Commissioner, Commercial Tax	*
Bihar Value Added Tax Act, 2005	Assessment	FY 2014-15	Joint Commissioner, Appeal	*
The Central Sales Tax Act, 1956 - Uttar Pradesh	Sales Tax on stock transfer	FY 2012-13 to 2013-14 & 2015-16 to 2016-17	Uttar Pradesh commercial Tax tribunal, Commercial Tax Officer	5
The Central Sales Tax Act, 1956 - Gujarat	Non submission of C forms and F Forms	FY 2014-15 to 2017-18	Deputy Commissioner (Appeals)	137
The Central Sales Tax Act, 1956 - Telangana	Non submission of C forms and F Forms	FY 2015-16	Assistant Comm. Commercial tax Dept, Begumpet Division	*
The Central Sales Tax Act, 1956 - Maharashtra	Discrepancies in Statutory Forms	FY 2013-14	JC of Sales Tax (Appeal)	*
The Central Sales Tax Act, 1956 - Haryana	Discrepancies in Statutory Forms	FY 2015-16	Commissioner of Sales tax	5
The Central Sales Tax Act, 1956 - Kerala	Sales concealment	FY 2008-09	Joint Commissioner (Appeals)	*

Name of Statue	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Unpaid amount (₹ in Mn)[#]
The Central Sales Tax Act, 1956 - Delhi	Discrepancies in Statutory Forms	FY 2016-17	AVATO	72
Madhya Pradesh Goods and Service Tax Act	Goods and Service Tax	FY 2018-19	Commercial Tax Officer	*
Rajasthan Entry Tax Act	Entry Tax - Original Assessment	FY 2008-09 to 2017-18	Hon'ble Rajasthan High Court	162
Rajasthan Entry Tax Act	Entry Tax - Mis match in challan	FY 2015-16	Hon'ble Rajasthan High Court	8
Maharashtra Entry Tax Act	Entry Tax	FY 2009-10	Deputy Commissioner, Maharashtra	*
Bihar Entry Tax Act, Jammu and Kashmir Entry Tax Act, Madhya Pradesh Entry Tax Act, Himachal Pradesh Entry Tax Act, Mizoram Entry Tax Act, Assam Entry Tax Act, Orissa Entry Tax Act, Rajasthan Entry Tax Act, Chhattisgarh Entry Tax Act; Nagaland Entry Tax Act	Entry Tax	FY 2007-08 to FY 2017-18	Hon'ble High Court	638
Bihar Entry Tax Act,	Entry Tax	2014-15	Additional Commissioner Commercial Tax	65
Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act	Entry Tax	FY 2007-08 to FY 2012-13	Tribunal	66
Madhya Pradesh Entry Tax Act, Assam Entry Tax Act	Entry Tax	FY 2014-15 and FY 2016-17	Additional commissioner, Appeals	1
Uttar Pradesh Entry Tax Act	Entry Tax	FY 2008-09 to FY 2009-10	Deputy Commissioner, Appeal	*
Uttar Pradesh Entry Tax Act	Entry Tax	FY 2008-09 & 2009-10	Deputy Commissioner	*

* - Less than ₹ 1 million

[#] - Net of amount paid under protest amounting to ₹ 404 Mn, ₹ 3,173 Mn, 3 Mn and 1,993 Mn against Service tax, Income tax, VAT and Entry tax respectively.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan or borrowing from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, 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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)
UDIN: 21094468AAAADC5493

Place: Gurugram
Date: April 22, 2021

Balance Sheet

as at March 31, 2021

(Amounts in millions of Indian Rupees)

Particulars	Note	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	5 (a)	215,672	50,535
Right of use assets	5 (b)	101,978	16,161
Capital work-in-progress	5 (a)	2,711	533
Intangible assets	5 (a)	51	97
Investment in joint venture	6	–	60,419
Financial assets			
Investment	7	150	17,122
Other financial assets	8	10,718	1,632
Income tax assets (net)		7,279	745
Deferred tax assets (net)	9	–	1,324
Other non-current assets	10	14,583	2,480
		353,142	**151,048**
Current assets			
Financial assets			
Investment	7	22,714	37,381
Trade receivables	11	38,285	3,667
Cash and cash equivalents	12	130	1,450
Other bank balance	13	–	18
Other financial assets	8	29,591	4,483
Other current assets	14	5,605	2,674
		96,325	**49,673**
Total assets		**449,467**	**200,721**
Equity and liabilities			
Equity			
Equity share capital	15	26,949	18,496
Other equity	16	132,024	120,313
		158,973	**138,809**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	15,051	–
Lease liabilities	18	112,189	19,516
Other financial liabilities	19	5,236	635
Provisions	20	15,666	3,023
Deferred tax liabilities (net)	9	711	–
Other non-current liabilities	21	2,178	521
		151,031	**23,695**
Current liabilities			
Financial liabilities			
Borrowings	22	54,652	24,184
Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		373	189
Total outstanding dues of creditors other than micro enterprises and small enterprises		32,202	7,868
Lease liabilities	18	21,769	2,385
Other financial liabilities	24	23,232	2,306
Other current liabilities	25	5,436	976
Provisions	20	481	200
Current tax liabilities (net)		1,318	109
		139,463	**38,217**
Total liabilities		**290,494**	**61,912**
Total equity and liabilities		**449,467**	**200,721**

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

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2021

(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

Particulars	Notes	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Income			
Revenue from operations	26	139,508	67,383
Other income	27	6,168	1,287
Total income		**145,676**	**68,670**
Expenses			
Power and fuel	28	51,529	23,664
Employee benefit expenses	29	5,126	2,935
Repairs and maintenance	30	7,246	2,503
Other expenses	31	3,021	2,111
Total expenses		**66,922**	**31,213**
Profit before depreciation and amortization, finance cost, finance income, charity and donation and tax		**78,754**	**37,457**
Depreciation and amortization expense	32	29,858	13,176
Less: adjusted with General Reserve in accordance with the Scheme of arrangement (refer note 44)	32	(1,429)	(402)
		28,429	**12,774**
Finance costs	33	8,351	3,333
Finance income	33	(1,992)	(3,370)
Charity and donation	45	806	598
Profit before tax		**43,160**	**24,122**
Income tax expense:		**9,778**	**6,656**
Current tax	9	9,850	5,805
Deferred tax	9	(72)	851
Profit for the year		**33,382**	**17,466**
Other comprehensive income ('OCI')			
Items that will not be re-classified to Profit and Loss			
Remeasurements gains/(losses) of defined benefit plans (net of tax)		20	(12)
Items that will be re-classified to Profit and Loss			
Fair value changes on financial assets through OCI (net of tax)		–	(98)
Other comprehensive income/(loss) for the year, net of tax		**20**	**(110)**
Total comprehensive income/(loss) for the year, net of tax		**33,402**	**17,356**
Earnings per share (Nominal value of share is ₹ 10 each)			
Basic	34	15.472	9.443
Diluted	34	15.472	9.443

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

For and on behalf of the Board of Directors of **Indus Towers Limited**

Vijay Agarwal
Partner
Membership No: 094468

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Place: Gurugram
Date: April 22, 2021

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Changes in Equity

as at March 31, 2021

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

A. Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid	No of shares (in thousands)	(₹ in Mn)
As at April 1, 2019	**1,849,608**	**18,496**
As at March 31, 2020	**1,849,608**	**18,496**
As at April 1, 2020	**1,849,608**	**18,496**
Issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	845,329	8,453
As at March 31, 2021	**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, 2019	**48,837**	**68**	**58,747**	**–**	**–**	**471**	**29,926**	**98**	**138,147**
Transition impact of Ind AS 116	–	–	–	–	–	–	(3,739)	–	**(3,739)**
Restated balance as at April 1, 2019	**48,837**	**68**	**58,747**	**–**	**–**	**471**	**26,187**	**98**	**134,408**
Profit for the year	–	–	–	–	–	–	17,466	–	**17,466**
Other comprehensive income	–	–	–	–	–	–	–	(110)	**(110)**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**17,466**	**(110)**	**17,356**
Gross compensation for options forfeited/exercised during the year	–	(27)	–	–	–	–	–	–	**(27)**
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited	–	–	(440)	–	–	–	–	–	**(440)**
Amount transferred to stock options outstanding during the vesting year	–	19	–	–	–	–	–	–	**19**
Premium on exercise of ESOP's *	–	–	(9)	–	–	–	–	–	**(9)**
Dividends on equity shares	–	–	–	–	–	–	(25,709)	–	**(25,709)**
Tax on dividends on equity shares	–	–	–	–	–	–	(5,285)	–	**(5,285)**
As at March 31, 2020	**48,837**	**60**	**58,298**	**–**	**–**	**471**	**12,659**	**(12)**	**120,313**

Statement of Changes in Equity

as at March 31, 2021

(Amounts in millions of Indian Rupees, except per share data and as stated otherwise)

B. Other equity

Particulars	Reserves and surplus							Other comprehensive income	Total equity (₹ in Mn)
	Securities premium	Share based payment reserve	General reserve	Capital reserve	Merger capital reserve	Capital redemption reserve	Retained earnings		
As at April 1, 2020	**48,837**	**60**	**58,298**	**–**	**–**	**471**	**12,659**	**(12)**	**120,313**
Profit for the year	–	–	–	–	–	–	33,382	–	**33,382**
Other comprehensive income	–	–	–	–	–	–	–	20	**20**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**33,382**	**20**	**33,402**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	–	–	15,224	4,536	(47,982)	–	67,984	(116)	**39,646**
Stamp duty on issue of shares on merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(8)	–	–	–	–	–	–	–	**(8)**
Gross compensation for options forfeited/exercised during the year	–	(47)	–	–	–	–	–	–	**(47)**
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement	–	–	(1,449)	–	–	–	–	–	**(1,449)**
Amount transferred to stock options outstanding during the vesting year	–	28	–	–	–	–	–	–	**28**
Premium on exercise of ESOP's *	–	–	(1)	–	–	–	–	–	**(1)**
Dividend on equity shares	–	–	–	–	–	–	(59,860)	–	**(59,860)**
Others	–	–	–	–	–	–	3	(3)	**–**
As at March 31, 2021	**48,829**	**41**	**72,072**	**4,536**	**(47,982)**	**471**	**54,168**	**(111)**	**132,024**

*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 financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2021
(Amounts in millions of Indian Rupees)

Particulars		Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		43,160	24,122
Adjustments for			
Depreciation and amortization expense		28,429	12,774
Finance income		(1,992)	(3,370)
Finance costs		8,351	3,333
Dividend income from joint venture (erstwhile Indus Towers Limited)		(4,200)	–
Profit on sale of property, plant and equipment		(823)	(384)
Provision for doubtful debts and advances (net)		(456)	683
Revenue equalisation		(2,073)	(1,295)
Others		(1,237)	(1,879)
Operating profit before changes in assets and liabilities		**69,159**	**33,984**
Changes in other financial assets		(3,145)	326
Changes in other assets		(1,064)	571
Changes in trade receivables		24,241	(1,926)
Changes in other financial liabilities		(112)	(2,282)
Changes in provisions		(193)	79
Changes in other liabilities		(3,399)	(982)
Changes in trade payables		81	(1,265)
Cash generated from operations		**85,568**	**28,505**
Income tax paid (net of refunds)		(10,795)	(5,453)
Net cash flow from operating activities	**(A)**	**74,773**	**23,052**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(21,169)	(8,286)
Proceeds from sale of property, plant & equipment		1,666	1,008
Investment in mutual funds		(98,329)	(80,162)
Proceeds from sale of mutual funds		131,268	64,078
Proceeds from sale of government securities		–	9,467
Redemption of certificate of deposits, commercial paper and bonds		–	2,938
Investment/(proceeds) from bank deposits (net)		(42)	(7)
Loan repaid by trust		108	13
Loan given to trust		(25)	–
Proceeds from exercise of stock options		6	–
Interest received		392	852
Dividend received		4,200	–
Investment in subsidiary		(30)	(90)
Loan given to subsidiary		(3)	102
Net cash flow from /(used in) investing activities	**(B)**	**18,042**	**(10,087)**

Statement of Cash Flows

for the year ended March 31, 2021
(Amounts in millions of Indian Rupees)

Particulars		Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		149,640	23,853
Repayment of borrowings		(133,325)	–
Cash paid to Vodafone Idea Ltd. pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)		(37,642)	–
Stamp duty on issue of shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)		(8)	–
Dividend paid		(59,860)	(25,709)
Tax on dividend paid		–	(5,285)
Interest paid		(1,450)	(1,300)
Repayment of lease liabilities (including interest)		(11,163)	(3,350)
Net cash flow (used in) financing activities	**(C)**	**(93,808)**	**(11,791)**
Net increase/(decrease) in cash and cash equivalents during the year	**(A+B+C)**	**(993)**	**1,174**
Cash and cash equivalents at the beginning of the year		1,119	(55)
Cash and cash equivalents pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)		2	–
Cash and cash equivalents at the end of the year (refer note 12)		**128**	**1,119**

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

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

1. Corporate information

Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Indus') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited. The Registered office of the Company is situated at 901, Park Centra, Sector-30 NH-8, Gurugram Haryana-122001.

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 fresh certificate of incorporation 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. Bharti Airtel Limited along with its wholly owned subsidiary holds 41.73% shares and Vodafone Group Plc. through its indirect wholly owned subsidiary companies holds 28.12% shares in the Company as on March 31, 2021.

The financial statements are approved for issuance by the Company's Board of Directors on April 22, 2021.

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 together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 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 '₹') and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

3. Merger of 'erstwhile Indus Towers Limited' with 'the Company'

On April 25, 2018, Indus Towers Limited (formerly Bharti Infratel Limited) ('the Company' or 'Transferee Company') and its Joint Venture Company erstwhile Indus Towers Limited ('erstwhile Indus' or 'Transferor Company') and their respective shareholders and creditors entered into a scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The Scheme has received requisite approvals from Competition Commission of India, Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited and FDI approval from Department of Telecommunications ('DoT'). The Company has also received approval from National Company Law Tribunal ('NCLT'), Chandigarh on May 31, 2019 read with the order dated October 22, 2020. Furthermore, the Company has filed the certified copy of the NCLT order with the Registrar of Companies on November 19, 2020 i.e. the effective date of merger. Upon the Scheme 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 form a Joint arrangement in the name of Bharti Infratel Limited. 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 Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

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 ₹ 10 per equity share and ₹ 37,642 Mn (inclusive of 41 Mn paid after effective date of merger) was paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company. The stamp duty paid on issue of shares amounting to ₹ 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 a joint arrangement, hence, the Company had an option to either account for such business combination using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. Accordingly, all the assets, liabilities and reserves of erstwhile Indus have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger. The financial information in the financial statement in respect of prior periods are not restated as the business combination was not involving entities under common control.

On the date of Scheme becoming effective, the Company has combined assets, liabilities and components of other equity of the erstwhile Indus on line by line basis. Furthermore, the Company has recognised impact of alignment of accounting practices a nd estimates of ₹ 589 Mn through General Reserve and ₹ 123 Mn (net of tax) through the Statement of profit and loss for the year ended March 31, 2021.

A) The carrying balances of the erstwhile Indus which have been added to the respective line items in the Balance Sheet of the Company are as under:

Particulars	Amount as on the effective date of merger
Assets	
Non current assets	
Property, plant and equipment	164,884
Right of use assets	82,228
Capital work-in-progress	2,429
Intangible assets	109
Financial assets	
Other financial assets	9,166
Income tax assets (net)	6,432
Other non-current assets	10,061
	275,309
Current assets	
Financial assets	
Trade receivables	57,917
Cash and cash equivalents	2
Other financial assets	22,044
Other current assets	1,970
	81,933
Total assets	**357,242**
Equity and liabilities	
Equity	
Equity share capital	1
Other equity	146,043
	146,044
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	9,101
Lease liabilities	89,007
Other financial liabilities	3,965
Provisions	11,812
Deferred tax liabilities (net)	2,216
Other non-current liabilities	1,970
	118,071
Current liabilities	
Financial liabilities	
Borrowings	22,416
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	98
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,173
Lease liabilities	17,765
Other financial liabilities	17,099
Other current liabilities	7,972
Provisions	552
Current tax liabilities (net)	2,052
	93,127
Total liabilities	**211,198**
Total equity and liabilities	**357,242**

(Amounts in millions of Indian Rupees, unless stated otherwise)

B) The impact on other equity on the effective date of merger is as follows:

Particulars	Reserves and surplus				Other comprehensive income	Total equity (₹ in Mn)
	Capital reserve	General reserve	Merger capital reserve	Retained earnings		
Reserves of erstwhile Indus	4,536	73,257	–	68,366	(116)	**146,043**
Investment of the Company into erstwhile Indus*	–	(58,033)	(1,888)	(382)	–	**(60,303)**
Cash paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company	–	–	(37,642)	–	–	**(37,642)**
Share capital of erstwhile Indus less share capital issued by the Company	–	–	(8,452)	–	–	**(8,452)**
Total	**4,536**	**15,224**	**(47,982)**	**67,984**	**(116)**	**39,646**

*During the year ended March 31, 2014, under the Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to erstwhile Indus was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and had become part of erstwhile Indus. The Company was carrying investment in BIVL at ₹ 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in erstwhile Indus in lieu of transfer of its investment in BIVL to erstwhile Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the scheme. The resultant gain of ₹ 382 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of the Statement of Profit and Loss as at April 1, 2009.

The merger of erstwhile Indus with the Company has been accounted as per 'Pooling of interest' method according to which the identity of the reserves (of the transferor) shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Consequently, all the reserves of the transferor (erstwhile Indus) have been recorded at their respective book values and their identity has been preserved.

Upon the merger becoming effective, the investment in Joint Venture (erstwhile Indus) has been cancelled by debiting the General Reserve to the extent available (i.e. ₹ 58,033 Mn) in the books of the Transferee Company, which was created out of the "BAL Scheme" (refer Note 44(a) for details of BAL scheme). There is no restriction for making adjustment to the reserves in the books of the transferee, and in accordance with the BAL scheme, such "General Reserve shall constitute free reserve available for all purposes of the Company and to be utilised by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company". Further, earlier recognised gain of ₹ 382 Mn and deferred tax liability of ₹ 116 Mn have been reversed and the balance amount of investment in joint venture i.e. ₹ 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 ₹ 1 Mn and shares issued by the Company of ₹ 8,453 Mn and cash paid of ₹ 37,642 Mn to the shareholders of the erstwhile Indus have resulted into debit balance of Merger Capital Reserve.

4. Significant accounting policies, judgements, estimates and assumptions

4.1 Significant accounting policies

a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment

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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 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

Particulars	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant and Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life, whichever is less

The existing useful lives and residual value of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing residual values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in the Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current liabilities include the current portion of long-term liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) Leases

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company recognizes right-of-use asset (ROU) representing its right to use the underlying asset for the lease term and a corresponding lease liability at the

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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 may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company has opted to recognize the asset retirement obligation liability as part of the cost of an item of property, plant and equipment in accordance with Ind AS 16.

Company as a lessor

At the inception date, leases are classified as a finance lease or an operating lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

As a lessor, in accordance with Ind AS 116 the Company has created Revenue equalisation reserve (RER) for fixed escalation clauses present in non-cancellable lease agreements with the customers on prospective basis effective April 1, 2019.

f) Share-based payments

The Company issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in the Statement of Profit and Loss.

At the vesting date, the Company's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any, is reflected as additional share dilution in the computation of diluted earnings per share.

g) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

This category applies to the Company's trade receivables, unbilled revenue, security deposits etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part

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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 has classified investment in tax free bonds within this category.

Debt instrument at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. This category applies to the Company's investment in government securities, mutual funds, taxable bonds and non convertible debentures.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103 applies are classified as at fair value through Profit or loss. There are no such equity investments measured at fair value through profit or loss or fair value through other comprehensive income in the company.

De-recognition:- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, security deposits, lease liabilities etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial Liabilities at Amortised cost

This category includes security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an

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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.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Revenue Recognition

The Company earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

Revenue is recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Company has ascertained that the lease payment received are straight lined over the period of the contract.

Exit Charges on site exit and equipment de-loading is recognised when uncertainty relating to such exit and de-loading is resolved and it is probable that a significant reversal relating to recoverability of these charges will not occur.

Interest on delayed payment from operators is recognized as income when uncertainty relating to amount receivable is resolved and it is probable that a significant reversal relating to this amount will not occur.

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized for the services rendered for the period falling after the last invoice raised to customer till the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Company collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Company, hence it is excluded from revenue.

Use of significant judgements in revenue recognition

The Company's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

In evaluating whether a significant revenue reversal will not occur, the Company considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Company with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Company provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Company is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

There is no additional impact of SLA penalty as the Company already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Determination of standalone selling price does not involve significant judgement for the Company. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Dividend Income

Dividend Income is recognized when the right to receive payment is established, which is generally on the date when shareholders approve the dividend in case of final dividend and approval by Board of Directors in case of interim dividend.

j) Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in the Statement of Profit and Loss. Interest income is recognised as it accrues in the Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

k) Other income

Other income includes dividend income, interest on income tax refund, gain on sale of property, plant and equipment etc. Any gain or loss arising on derecognition of property, plant and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

l) Finance cost

Finance costs comprise Borrowing cost, interest expense on lease obligations, accretion of interest on site restoration obligation and security deposits received.

m) Income Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued 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.

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The expense on dividends are linked directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore the company shall recognise the income tax on dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

n) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

o) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered. All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences and bonus etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Company post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in the Statement of Profit and Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees 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 quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of the Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Company provides other benefits in the form of compensated absences and long term service awards. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Company records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs.

p) Provisions

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(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.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

ARO are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

q) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

r) Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 ₹ ('INR' or '₹'), which is also the Company's functional currency. Presentation currency is the currency in which the Company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in INR has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

t) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

u) Non-GAAP measure of financial performance

Profit before depreciation and amortization, finance cost, finance income, charity and donation and tax is an important measure of financial performance relevant to the users of financial statements and stakeholders of the Company. Hence, the Company presents the same as an additional line item on the face of the Statement of Profit and Loss considering such presentation is relevant for understanding of the Company's financial position and performance.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Leases

Company as lessor

The Company has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Company, that such contracts are in the nature of operating lease and has accounted for as such.

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

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in the Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognised in the statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation increase.

c) Property, plant and equipment

Refer Note 4.1(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their 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.

(Amounts in millions of Indian Rupees, unless stated otherwise)

During the period ended March 31, 2021, the Company has revised the useful life of civil work included in Plant and machinery from 15 years to 20 years with effect from December 1, 2020. Set out below is impact of such change on future period depreciation:

Particulars	Year ended March 31, 2021	Year ended March 31, 2022
Decrease in Depreciation	405	1043

Further, the Company has also reassessed useful life from 15 years to 20 years and estimate of dismantling obligation for Asset retirement obligation w.e.f. December 1, 2020 and has taken the credit of ₹ 184 Mn in the Statement of Profit and Loss.

d) Allowance of doubtful trade receivable

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 180 days past due from related parties and 90 days past due from other customers. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

e) Asset retirement obligation

The Company uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

f) Share based payment

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

5 (a) Property plant and equipment

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Capital work-in-progress	Intangible assets#
Cost or valuation									
As at March 31, 2019	2	145,913	234	7	950	350	**147,456**	**1,039**	**536**
Adjustments for Ind AS 116*	–	(138)	–	–	–	–	(138)	–	–
Restated balance as at April 1, 2019	**2**	**145,775**	**234**	**7**	**950**	**350**	**147,318**	**1,039**	**536**
Additions	–	9,047	25	–	7	7	**9,086**	**7,447**	**128**
Disposals/adjustments	–	(4,181)	(5)	(5)	(33)	–	**(4,224)**	**(7,953)**	–
As at March 31, 2020	**2**	**150,641**	**254**	**2**	**924**	**357**	**152,180**	**533**	**664**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**2**	**393,140**	**528**	**–**	**944**	**815**	**395,429**	**2,429**	**2,078**
Additions	–	22,712	9	–	54	22	**22,797**	**22,535**	**8**
Disposals/adjustments	–	(7,593)	(6)	(2)	(53)	–	**(7,654)**	**(22,786)**	**(3)**
As at March 31, 2021	**4**	**558,900**	**785**	**–**	**1,869**	**1,194**	**562,752**	**2,711**	**2,747**
Accumulated depreciation/ amortisation									
As at March 31, 2019	**–**	**92,876**	**210**	**5**	**890**	**272**	**94,253**	**–**	**490**
Adjustments for Ind As 116*	–	**(53)**	–	–	–	–	**(53)**	–	–
Restated balance as at April 1, 2019	–	92,823	210	5	890	272	**94,200**	–	**490**
Charge for the year	–	10,961	24	–	39	20	**11,044**	–	**77**
Disposals/adjustments	–	(3,564)	(4)	(4)	(27)	–	**(3,599)**	–	–
As at March 31, 2020	**–**	**100,220**	**230**	**1**	**902**	**292**	**101,645**	**–**	**567**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**–**	**228,460**	**490**	**–**	**812**	**783**	**230,545**	**–**	**1,969**
Charge for the year	–	21,631	21	–	75	20	**21,747**	–	**160**
Disposals/adjustments	–	(6,797)	(6)	(1)	(53)	–	**(6,857)**	–	–
As at March 31, 2021	**–**	**343,514**	**735**	**–**	**1,736**	**1,095**	**347,080**	**–**	**2,696**
As at March 31, 2020	**2**	**50,421**	**24**	**1**	**22**	**65**	**50,535**	**533**	**97**
As at March 31, 2021	**4**	**215,386**	**50**	**–**	**133**	**99**	**215,672**	**2,711**	**51**

The lenders have a first charge on pari-passu basis by way of hypothecation of the Company's entire plant and equipments, including tower assets, related equipment and spares, tools and accessories, furniture and fixtures, vehicles and all other moveable assets, present and future. The security interest ranks pari-passu amongst all secured lenders.

* Refer note 48 for details

Intangible assets include Computer software.

(i) Plant and equipment comprise of assets given on operating lease.

(ii) Depreciation charge for the year includes ₹ 1,078 Mn (FY 2019-20 - ₹ 255 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

5 (b) Right of use assets *

Particulars	Amount
As at April 1, 2019	**15,729**
Additions for the year	5,582
Disposals for the year	(3,095)
Depreciation for the year	(2,055)
As at March 31, 2020	**16,161**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	**82,228**
Additions for the year	16,770
Disposals for the year	(5,230)
Depreciation for the year	(7,951)
As at March 31, 2021	**101,978**

*For details, refer note 48.

6 Investment in joint venture

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Unquoted, at cost		
Erstwhile Indus towers Limited: Nil (March 31, 2020 - 500,504) equity shares of ₹ 1 each fully paid up (refer note 3)	–	60,419
Total	**–**	**60,419**

7 Investment (non-current)

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Investment in subsidiary (unquoted) at cost		
Smartx Services Limited: 15,000,000 (March 31, 2020-12,000,000) equity shares of ₹ 10 each fully paid up	150	120
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	–	17,002
Total	**150**	**17,122**

Investment (current)

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	19,773	34,441
Government securities (quoted)	2,941	2,940
Total	**22,714**	**37,381**
Aggregate value of unquoted investments (cost)	150	120
Aggregate value of quoted investments (cost)	19,902	50,798
Aggregate market value of quoted investments	22,714	54,383

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Non-current investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2021 (refer notes 3 & 52)		As at March 31, 2020	
	Units	Amount	Units	Amount
Axis Liquid Fund - Growth (CFGPG)	1,251,982	2,845	2,173,652	4,769
Baroda Pioneer Liquid Fund - Plan A - Growth	1,513,826	3,559	1,513,826	3,442
DSP Liquid Fund-Regular-Plan-Growth	1,038,845	3,033	1,138,181	3,212
L& T Liquid - Growth	784,834	2,202	784,834	2,127
Tata Liquid Fund Regular Plan-Growth	687,670	2,218	687,670	2,142
UTI - Liquid Cash Plan - Institutional Growth	404,787	1,357	404,787	1,310
	5,681,944	15,214	6,702,950	17,002
Reclassed to current investments	(5,681,944)	(15,214)	–	–
Total	–	–	6,702,950	17,002

Current investments

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2021 (refer notes 3 & 52)		As at March 31, 2020	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Liquid fund - Growth - Regular plan	–	–	8,581,317	2,727
Aditya Birla Sun Life Money Manager Fund - Growth- Regular Plan	2,995,937	854	2,995,937	806
Aditya Birla Sun Life Overnite fund- Growth - Regular plan	–	–	232,034	250
Franklin India Liquid Fund	–	–	1,084,202	3,221
HDFC liquid fund - Regular Plan - Growth	–	–	22,284	87
HSBC Cash Fund	1,817,400	3,705	1,817,400	3,579
ICICI Prudential Liquid Plan- Growth	–	–	17,169,140	5,022
Invesco India Liquid Fund - Growth	–	–	184,237	500
Kotak Liquid fund - Growth (Regular Plan)	–	–	873,307	3,494
Kotak Money Market Fund Growth Regular Plan	–	–	1,036,601	3,421
Nippon India Liquid Fund-Growth Plan-Growth Option	–	–	819,713	3,953
SBI Liquid Fund Regular Growth	–	–	1,392,098	4,307
Sundaram Money Fund Regular Growth	–	–	24,329,258	1,013
UTI-Money Market Fund -Institutional Plan - Growth	–	–	915,970	2,061
	4,813,337	4,559	61,453,498	34,441
Reclassed from non-current investments (refer non-current investments)	5,681,944	15,214	–	–
Total	10,495,281	19,773	61,453,498	34,441

Details of investments in government securities are provided below:

Particulars	As at March 31, 2021 (refer notes 3 & 52)		As at March 31, 2020	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	27,500,000	2,941	27,500,000	2,940
Total	27,500,000	2,941	27,500,000	2,940

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

8 Other financial assets (non-current)

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Security deposit		
Unsecured, considered good	10,310	1,427
Unsecured, considered doubtful	1,117	364
Less :- Provisions	(1,117)	(364)
	10,310	**1,427**
Loans given - unsecured, considered good* (refer note 41)	192	189
Fixed deposits for more than one year #	216	16
Total	**10,718**	**1,632**

*The Company has granted an interest free unsecured loan to its wholly owned subsidiary company "Smartx Services Limited".

#Represents margin money against various guarantees issued by banks on behalf of the Company and fixed deposits which have been marked lien to government/local authorities. These deposits are not available for use by the Company as the same are in the nature of restricted cash.

Other financial assets, current

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Unbilled revenue*	29,087	4,357
Interest accrued on investments and deposits	467	66
Other recoverable#	37	60
Total	**29,591**	**4,483**

* 'Unbilled revenue' includes amount pertaining to related parties amounting to ₹ 25,986 Mn as at March 31, 2021 (March 31, 2020 - ₹ 3,061 Mn). For details refer note 41.

'Other recoverable' is net of provision of ₹ 12 Mn (March 31, 2020 - ₹ 8 Mn).

9 Taxes

a) Income tax expense

i. Profit and loss

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Current tax	9,850	5,805
Deferred tax	(72)	851
Income tax expense	**9,778**	**6,656**

Current tax expense includes tax charge of ₹ 10 Mn (March 31, 2020 : ₹ 9 Mn) and deferred tax expense includes tax expense reversal of ₹ 16 Mn (March 31, 2020 : ₹ 1 Mn), respectively relating to earlier periods.

Further, deferred tax expense includes tax expense reversal of ₹ 63 Mn in year ended March 31, 2021 due to Current tax benefit availed of ₹ 63 Mn in year ended March 31, 2020 on account of donation of ₹ 250 Mn to PM Cares fund (COVID-19) paid subsequent to March 31, 2020, as per the ordinance passed by the Government.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

ii. Other comprehensive income

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Deferred tax on re-measurements of defined benefits plan	7	(4)
Deferred tax on fair value changes of financial assets at FVTOCI	–	(13)
Income tax charged to other comprehensive income	**7**	**(17)**

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, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Net income before taxes	43,160	24,122
Enacted tax rate in India	25.168%	25.168%
Computed tax expense	**10,863**	**6,071**
Increase/(reduction) in taxes on account of:		
Tax effect on exempted income	–	(12)
Tax effect on deduction of dividend income under section 80 M	(1,057)	–
Tax effect of long-term MTM loss/(gain) on non-current investment	–	(54)
Tax effect of long term capital loss/(gain) on sale of non-current investment	(277)	11
Tax effect of disallowance on account of donation	140	75
Tax effect on transition to Ind AS 116 due to change in tax rate	–	562
Others	109	3
Income tax expense recorded in the statement of profit and loss	**9,778**	**6,656**

The applicable Indian statutory tax rate for financial year 2020-21 and 2019-20 is 25.168%.

The company has elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision of Income tax and remeasured its deferred tax assets basis the rate prescribed in the said section and taken the full effect to the Statement of profit and loss for the year ended March 31, 2020.

c) Deferred tax liabilities/(assets)

The components that gave rise to deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Deferred tax liability in relation to:		
Right of use assets	25,666	4,068
Property, plant and equipment and intangible asset (excluding ARO)	7,091	41
Investment carried at fair value through profit or loss/ OCI	701	895
Security deposit received measured at amortised cost	81	19
Gain on disposal of subsidiary (refer note 3)	–	114
Tax effect on Donation to PM Cares Fund	–	63
Revenue equalisation reserve	2,423	325
Others	30	–
Total deferred tax liabilities	**35,992**	**5,525**

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Deferred tax assets in relation to:		
Lease liabilities	32,777	5,469
Asset retirement obligation	28	598
Long term capital loss carried forward	174	254
Provision for doubtful debts and advance	1,520	309
Security deposit paid measured at amortised cost	259	8
Provision for employee benefits	437	101
Employee stock option plans	86	86
Others	–	24
Total deferred tax assets	**35,281**	**6,849**
Net deferred tax liabilities/(asset)	**711**	**(1,324)**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The reconciliation of net deferred tax liability/ (asset) is follows:

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Opening balance	(1,324)	(150)
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	2,100	–
Tax expense during the year recognised in Statement of profit and loss and OCI	(65)	834
Tax expense on transition to Ind AS 116 (recognised in retained earnings)	–	(2,008)
Closing balance	**711**	**(1,324)**

10 Other non-current assets

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Capital advances		
Unsecured, considered good	3	–
Unsecured, considered doubtful	–	–
Less: Provision for capital advances	–	–
	3	**–**
Others*		
Unsecured, considered good	5,476	1,252
Unsecured, considered doubtful	1,069	592
Less: Provision	(1,069)	(592)
	5,476	**1,252**
Revenue equalisation reserve	9,104	1,228
Total	**14,583**	**2,480**

*"Others" comprise of payments made under protest to the government authorities. For details, refer note 38(b).

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

11 Trade receivables

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Secured, considered good	20,709	–
Unsecured, considered good	17,576	3,667
Significant increase in credit risk	4,850	897
Credit impaired	–	–
Less: Allowance for doubtful receivables	(4,850)	(897)
Total	**38,285**	**3,667**

Trade receivables are non-interest bearing and due after 15/30 days from the date of invoice. Trade receivables also includes amount outstanding from related parties, for details, refer note 41.

12 Cash and cash equivalents

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Balance with banks		
On current accounts	129	50
Deposits with original maturity of less than three months	1	1,400
Total	**130**	**1,450**

For the purpose of the Cash flow statement, cash and cash equivalents comprise of following:

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Cash and cash equivalents as per balance sheet	130	1,450
Bank overdraft	(2)	(331)
Total	**128**	**1,119**

Reconciliation of Cash flow from financing activities for the year ended March 31, 2021

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Cash flow on account of merger# (refer note 3)	Total
As at April 1, 2020 (A)	**21,901**	**23,853**	**–**	**55**	**–**	**45,809**
Cash activities						
– Payments	(11,163)	(133,325)	(59,860)	(1,450)	(37,650)	(243,448)
– Proceeds	–	149,640	–	–	–	149,640
Total cash actvities (B)	**(11,163)**	**16,315**	**(59,860)**	**(1,450)**	**(37,650)**	**(93,808)**
Non Cash activities						
– Accrued	4,977	–	59,860	2,416	–	67,253
– Additions (net of terminations)	11,471	–	–	–	–	11,471
– Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	106,772	41,367	–	–	37,650	185,789
– Others	–	104	–	(519)	–	(415)
Total non cash activities (C)	**123,220**	**41,471**	**59,860**	**1,897**	**37,650**	**264,098**
Balance as at March 31, 2021 (A+B+C)	**133,958**	**81,639**	**–**	**502**	**–**	**216,099**

* 'Borrowings' include long term borrowings, short term borrowings and current maturities of long term borrowings.

#Payment of ₹ 37,642 Mn were made to Vodafone Idea Ltd. and stamp duty of ₹ 8 Mn paid on account of issue of new equity shares pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Reconciliation of Cash flow from financing activities for the year ended March 31, 2020

Particulars	Lease liabilities	Borrowings*	Dividend including taxes	Interest	Cash flow on account of merger	Total
As at April 1, 2019 (A)	**21,360**	**–**	**–**	**–**	**–**	**21,360**
Cash activities						
– Payments	(3,350)	–	(30,994)	(1,300)	–	(35,644)
– Proceeds	–	23,853	–	–	–	23,853
Total cash actvities (B)	**(3,350)**	**23,853**	**(30,994)**	**(1,300)**	**–**	**(11,791)**
Non Cash activities						
– Accrued	1,421	–	30,994	1,357	–	33,772
– Additions (net of terminations)	2,470	–	–	–	–	2,470
– Others	–	–	–	(2)	–	(2)
Total non cash activities (C)	**3,891**	**–**	**30,994**	**1,355**	**–**	**36,240**
Balance as at March 31, 2020 (A+B+C)	**21,901**	**23,853**	**–**	**55**	**–**	**45,809**

* 'Borrowings' include long term borrowings, short term borrowings and current maturities of long term borrowings.

13 Other bank balances

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Fixed deposits with original maturity less than twelve months	–	18
Total	**–**	**18**

14 Other current assets

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Loans and advances to related parties - unsecured, considered good (refer note 41)	56	191
Advance to supplier	2,838	1,838
Other taxes recoverable	2,045	389
Prepaid expenses	137	173
Revenue equalisation reserve	521	67
Others	8	16
Total	**5,605**	**2,674**

'Advance to supplier' is net of provision of ₹ 138 Mn (March 31, 2020 - ₹ 63 Mn). 'Other taxes recoverable' is net of provision of ₹ 14 Mn (March 31, 2020 - ₹ 18 Mn)

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

15 Share capital

a. Equity share capital:

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Authorized Shares		
3,550,000,000 equity shares of ₹ 10 each (3,500,000,000 equity shares as at March 31, 2020)	35,500	35,000
Issued, subscribed and fully paid-up shares		
2,694,936,950 equity shares of ₹ 10 each fully paid-up (March 31, 2020 : 1,849,608,246 equity shares)	26,949	18,496
Total	26,949	18,496

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 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 have declared following dividends during the year ended March 31, 2021 and March 31, 2020, which have been paid subsequently:

Particulars	Dividend w.r.t. financial year	Interim / final dividend	Date of board meeting in which dividend is declared	Rate of dividend per equity share of ₹ 10 each (in ₹)	Total dividend amount (₹ in Mn.)
Year ended March 31, 2021	FY 2019-20	3rd Interim	23-Apr-20	4.10	7,583
	FY 2020-21	1st Interim	27-Jul-20	2.30	4,254
	FY 2020-21	2nd Interim	28-Jan-21	17.82	48,023
		Total		24.22	59,860
Year ended March 31, 2020	FY 2018-19	Interim	24-Apr-19	7.50	13,872
	FY 2019-20	1st Interim	12-Aug-19	3.65	6,751
	FY 2019-20	2nd Interim	10-Dec-19	2.75	5,086
		Total		13.90	25,709

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

c. Shares held by Promoters/Parent Company:

Particulars	As at March 31, 2021 (refer notes 3 & 52)		As at March 31, 2020	
	No of Shares	₹ Million	No of Shares	₹ Million
Equity shares of ₹ 10 each fully paid				
Promoters w.e.f. November 19, 2020				
Bharti Airtel Limited (Parent Company till Nov 18, 2020)*	620,898,728	6,209	620,898,728	6,209
Nettle Infrastructure Investments Limited (Fellow Subsidiary till Nov 18, 2020)*	503,628,998	5,036	368,882,251	3,689
Omega Telecom Holdings Private Limited #	62,180,258	622	–	–
Euro Pacific Securities Ltd #	204,448,241	2,044	–	–
Vodafone Telecommunications (India) Limited #	83,280,998	833	–	–
Trans Crystal Ltd #	74,891,274	749	–	–
Mobilvest #	85,894,365	859	–	–
Prime Metals Ltd #	112,055,285	1,121	–	–
CCII (Mauritius), Inc.#	22,873,771	229	–	–
Asian Telecommunication Investments (Mauritius) Ltd #	50,255,070	503	–	–
Al-Amin Investments Ltd #	41,639,742	416	–	–
Usha Martin Telematics Limited#	20,302,800	203	–	–
Total	**1,882,349,530**	**18,824**	**989,780,979**	**9,898**

*Bharti Airtel Limited along with its wholly owned subsidiary holds 41.73% shares as on March 31, 2021 (March 31, 2020 - 53.51%).

Vodafone Group Plc. through its indirect wholly owned subsidiary companies holds 28.12% shares as on March 31, 2021 (March 31, 2020 - Nil).

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2021 (refer notes 3 & 52)		As at March 31, 2020	
	No of Shares	% Holding	No of Shares	% Holding
Bharti Airtel Limited	620,898,728	23.04%	620,898,728	33.57%
Nettle Infrastructure Investments Limited	503,628,998	18.69%	368,882,251	19.94%
Euro Pacific Securities Ltd	204,448,241	7.59%	–	–
Silverview Portfolio Investments Pte. Ltd.	130,803,065	4.85%	130,803,065	7.07%
Total	**1,459,779,032**	**54.17%**	**1,120,584,044**	**60.58%**

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (F.Y 2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 36).

f. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2017, the Company brought back 47,058,824 equity shares of ₹ 10 each by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share.

g. 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 36.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

16 Other equity

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Securities premium	48,829	48,837
Share based payment reserve	41	60
Capital redemption reserve	471	471
Capital reserve	4,536	–
Merger capital reserve	(47,982)	–
General reserve	72,072	58,298
Retained earnings	54,168	12,659
Other comprehensive income	(111)	(12)
Total	**132,024**	**120,313**

(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 44(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 44(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 and shall form part of the net worth of the company (refer Note 3 and 44(b)).

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

17 Long term borrowings

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Secured		
Term loans from banks*	1,667	–
Unsecured		
Term loans from banks*	25,322	–
	26,989	**–**
Current maturities of long-term borrowings (refer note 24)	(11,938)	–
Total	**15,051**	**–**

* ₹23 Mn has been adjusted towards unamortized upfront fee on borrowings.

Registration of charges

The Company has entered into borrowing arrangements with several lenders under rupee term loan agreements. The security interest set out below ranks pari-passu amongst all secured lenders.

The terms and conditions of all the long-term borrowings are similar and are as follows:

(a) A first charge on pari-passu basis by way of hypothecation of the Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;

(b) A charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and

(c) A first charge on pari-passu over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

Weighted average cost of debt as at March 31, 2021 is 6.05% per annum on term loans from banks.

Repayment of loan

(i) Loan outstanding ₹ 1,250 Mn

As per the repayment schedule in the loan agreement, the Company has to repay loans amounting to ₹ 15,000 Mn availed from bank in 12 quarterly instalments which have commenced from August 2018.

(ii) Loan outstanding ₹ 417 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 5,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from August 2018.

(iii) Loan outstanding ₹ 5,250 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 7,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from August 2020.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

(iv) Loan outstanding ₹ 2,250 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 3,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from September 2020.

(v) Loan outstanding ₹ 14,845 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 17,000 Mn availed from bank in 12 equated quarterly instalments which have commenced from December 2020.

(vi) Loan outstanding ₹ 3,000 Mn

As per the repayment schedule in the facility sanction letter, the Company has to repay loans amounting to ₹ 3,000 Mn availed from bank in 12 equated quarterly instalments which will commence from April 2021.

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.

18 Lease liabilities

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Balance at the beginning of the year	**21,901**	**21,360**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	106,772	–
Additions during the year	17,061	5,710
Deletions during the year	(5,590)	(3,240)
Interest accrued during the year	4,977	1,421
Payment of lease liabilities during the year	(11,163)	(3,350)
Balance at the end of the year	**133,958**	**21,901**
Current	21,769	2,385
Non-current	112,189	19,516

19 Other financial liabilities, non-current

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Security deposits	5,236	635
Total	**5,236**	**635**

The above security deposit is the fair value of total security deposit at transaction value for ₹ 7,371 Mn as at March 31, 2021 (March 31, 2020 : ₹ 1,018 Mn)

'Security deposits' includes transaction value of ₹ 3,120 Mn (March 31, 2020 : ₹ 504 Mn) towards amounts received from related parties. For details, refer note 41.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

20 Provisions, non-current

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Asset retirement obligation (ARO)*	14,982	2,805
Gratuity (refer note 35)	637	202
Long-term service award	47	16
Total	**15,666**	**3,023**

* 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, 2021 (refer notes 3 & 52)	As at March 31, 2020
Opening balance	2,805	2,538
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	11,398	–
Provision added during the year	366	56
Provision utilised/adjusted during the year	(129)	(3)
Unwinding of discount	542	214
Closing balance	**14,982**	**2,805**

Provisions, current

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Gratuity (refer note 35)	71	52
Leave encashment	410	148
Total	**481**	**200**

21 Other non-current liabilities

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Deferred operating lease revenue	1,344	258
Unearned revenue (refer note 41)	824	263
Liability for cash settled option (refer note 36)	10	–
Total	**2,178**	**521**

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

22 Short term borrowings

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Unsecured		
Bank overdraft*	2	331
Commercial paper**	17,647	–
Short term loans***	36,655	23,853
Loans from related parties# (refer note 41)	348	–
Total	**54,652**	**24,184**

*The bank overdraft is repayable on demand and carries interest rate of 9.00% (March 31, 2020 : 8.70%) per annum.

**The Commercial paper have been issued to banks and financial institutions and carries interest rate of 3.85% (March 31, 2020 : Nil) per annum.

***The short term loans have been taken from banks and financial institutions and carries interest rate of 4.28% to 7.98% (March 31, 2020 : 7.40% to 8.80%) per annum.

Pursuant to "Indus Scheme" of merger of erstwhile Indus Towers Limited, loan is repayable to related party along with interest in the event of refund/settlement of advance tax/self assessment tax for the assessment Year 2012-13. For details, refer note 44(b).

23 Trade payables

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
- Total outstanding dues of micro and small enterprises*	373	189
- Total outstanding dues of creditors other than micro and small enterprises	32,202	7,868
Total	**32,575**	**8,057**

*Also include outstanding of medium enterprises.

a) Trade Payable include ₹ 126 Mn (March 31, 2020 : ₹ 147 Mn) payable to related parties. For details, refer note 41.

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
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	370	186
Interest due on above	1	–
Total	**371**	**186**
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	2,005	326
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	2	3
The amount of interest accrued and remaining unpaid at the end of each accounting year	3	3
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	3	–

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

Total payments made to micro, small and medium enterprises amounts to ₹ 12,142 Mn (₹ 644 Mn for the year ended March 31, 2020) out of which ₹ 2,005 Mn (₹ 326 Mn for the year ended March 31, 2020) 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.

24 Other current financial liabilities

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Current maturities of long term borrowings (refer note 17)	11,938	–
Payable to employees	840	241
Creditors for capital expenditure	8,955	2,007
Interest accrued and not due*	502	55
Security deposits	30	–
Book overdraft	31	3
Other payables#	936	–
Total	**23,232**	**2,306**

* Interest accrued and not due includes amount pertaining to related parties amounting to ₹ 378 Mn as at March 31, 2021 (March 31, 2020 - Nil). For details, refer note 41 and 51.

Other payables include amount pertaining to related parties amounting to ₹ 522 Mn as at March 31, 2021 (March 31, 2020: Nil). For details, refer note 41.

25 Other current liabilities

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Statutory liabilities	3,515	444
Unearned revenue (refer note 41)	871	386
Deferred operating lease revenue	440	60
Liability for cash settled option (refer note 36)	27	2
Others	583	84
Total	**5,436**	**976**

26 Revenue from operations

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Sale of services		
Rent (including recoveries for rates and taxes)	88,169	42,289
Energy	51,339	25,094
Total	**139,508**	**67,383**

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

27 Other income

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Interest income (others)	181	389
Dividend income from joint venture (erstwhile Indus Towers Limited)	4,200	–
Profit on sale of property, plant and equipment	823	384
Miscellaneous income	964	514
Total	**6,168**	**1,287**

28 Power and fuel

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Network	51,501	23,638
Others	28	26
Total	**51,529**	**23,664**

29 Employee benefit expenses

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Salaries, wages and bonus*	4,903	2,726
Contribution to provident fund	132	83
Equity settled/cash settled option expense (refer note 36)	26	17
Staff welfare expenses	32	88
Others	33	21
Total	**5,126**	**2,935**

* 'Salaries, wages and bonus' includes gratuity and other post-employment benefits. For details, refer note 35.

30 Repairs and maintenance

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Repair and maintenance		
- Plant and machinery	7,006	1,986
- Others	240	517
Total	**7,246**	**2,503**

Notes to Financial Statements
(Amounts in millions of Indian Rupees, unless stated otherwise)

31 Other expenses

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Insurance	263	97
Travelling and conveyance	183	140
Communication expenses	58	32
Legal and professional (refer note below)	723	438
Rates and taxes	1,175	159
Information technology (IT) expenses	629	403
Provision for doubtful debts and advances (net)	(456)	683
Miscellaneous expenses	446	159
Total	**3,021**	**2,111**

Payment to auditor (net of GST)

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Audit fee	9.0	6.0
Tax audit fee	0.5	–
Other services	2.2	2.1
Reimbursement of expenses	0.8	0.5
Total	**12.5**	**8.6**

32 Depreciation and amortization expense

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Depreciation	29,698	13,101
Amortization	160	75
	29,858	**13,176**
Less: adjusted with General Reserve in accordance with the Scheme of arrangement (refer note 44)	(1,429)	(402)
Total	**28,429**	**12,774**

As per Ind AS 116, operating lease rent has been changed to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. For details, refer note 48.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

33 Finance costs and income

Finance costs

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Interest cost	2,410	1,357
Bank charges	6	3
Unwinding of discount on asset retirement obligation	543	214
Unwinding of discount on security deposit received	415	338
Interest on lease liabilities	4,977	1,421
Total	**8,351**	**3,333**

Finance income

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Interest income on financial assets carried at amortized cost:		
Interest on bank deposit	16	16
Interest on security deposit paid	328	60
Interest income (others)	169	–
Interest income on financial assets carried at fair value through other comprehensive income:		
Interest on tax free bonds	–	47
Interest income on financial assets carried at fair value through profit or loss:		
Interest on government securities	210	397
Interest on taxable bonds	–	10
Gain/(loss) on investments (including MTM gain/(loss))	1,269	2,840
Total	**1,992**	**3,370**

34 Earnings per Share (EPS)

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Mn)	33,382	17,466
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	2,157,632,130	1,849,608,246
Dilutive effect on weighted average number of equity shares outstanding during the year	–	–
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	2,157,632,130	1,849,608,246
Basic earnings per share (A/B) (₹)	15.472	9.443
Diluted earnings per share (A/C) (₹)	15.472	9.443

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

35 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, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Employer's contribution to provident fund	132	83
Total	**132**	**83**

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 29.

Gratuity

i. Amount charged to the statement of profit and loss:

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Service cost	61	35
Interest cost	30	16
Total	**91**	**51**

ii. Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The assumptions used to determine the benefit obligation are as follows:-

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Discount rate	6.80%	6.90%
Expected rate of increase in compensation levels	8.50%	9.00%
Expected average remaining working lives of employees (years)	20.36	21.99

Demographic assumption

Assumptions regarding future mortality are based on published statistics and mortality tables (IALM (2012-14) for the year ended March 31, 2021 .

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, 2021 are as shown below:

Age (Years)	Rates
Upto 30 years	11.35%
From 31 - 44 years	7.29%
Above 44 years	8.29%

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

iii. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Present value of benefit obligation at the beginning of year	254	204
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	480	–
Service cost	61	35
Interest cost	30	16
Benefits paid	(89)	(13)
Actuarial (gain)/ loss	(27)	16
Acquisition Adjustment	(1)	(4)
Present value of benefit obligation as at the end of year	**708**	**254**

iv. Amount recognised in Other comprehensive income

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Opening net cumulative unrecognized gain/(loss)	**(19)**	**(3)**
Pursuant to merger of erstwhile Indus Towers Limited with the Company (refer note 3)	(155)	–
Actuarial gain/(loss)	27	(16)
Unrecognized actuarial gain/(loss) at the end of year	**(147)**	**(19)**

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 ₹ 154 Mn (March 31, 2020 : ₹ 52 Mn).

viii. The Maturity profile of defined benefit obligation is as follows :

Period	Amount
April 2021 - March 2022	71
April 2022 - March 2023	58
April 2023 - March 2024	53
April 2024 - March 2025	59
April 2025 onwards	467

ix. Sensitivity analysis

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Discount rate	+1%	+1%	(53)	(19)
	-1%	–1%	57	22
Salary Growth rate	+1%	+1%	56	21
	-1%	–1%	53	(18)

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.

36 Employee stock/cash settled option plans

(a) Employee stock/cash settled option plans - issued by the Company

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme). In FY 2013-14 and 2014-15, the Company had announced new performance unit plan (cash settled option plan) for its employees. In FY 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21, the Company has announced Long term incentive plan (LTIP) 2015, Long term incentive plan (LTIP) 2016, Long term incentive plan (LTIP) 2017, Long term incentive plan (LTIP) 2018, Long term incentive plan (LTIP) 2019-20 and Long term incentive plan (LTIP) 2020-21 respectively for its employees.

The following table provides an overview of all existing stock/cash option plans issued by the Company.

Entity	Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification / accounting treatment
	Equity settled Plans						
Company	ESOP Scheme 2008	2008 Plan	2	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)	5	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2017)	11	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2018)	33	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2019-20)	107	1 - 3	7	10	Equity settled
	ESOP Scheme 2014	Long term incentive plan (LTIP) 2015 (Grant 2020-21)	491	1 - 3	7	10	Equity settled
	Cash settled Plans						
	Scheme 2013	Performance Unit Plan (2013 and 2014)	7	1 - 3	7	–	Cash settled

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

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%
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%

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(Amounts in millions of Indian Rupees, unless stated otherwise)

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of stock options (in '000)	Exercise price (₹)	Number of stock options (in '000)	Exercise price (₹)
Plan 2008				
Outstanding at beginning of the year	46	110	58	110
Granted	–	–	–	–
Forfeited	(1)	110	(2)	110
Exercised	(43)	110	(10)	110
Outstanding at the year end	2	110	46	110
Exercisable at end of the year	2	110	46	110
Cash settled Plan (2013 and 2014)				
Outstanding at beginning of the year	7	NA	23	NA
Granted	–	–	–	–
Forfeited	–	–	–	–
Exercised	–	NA	(16)	NA
Outstanding at the year end	7	NA	7	NA
Exercisable at end of the year	7	NA	7	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	12	10	17	10
Granted	–	–	–	–
Forfeited	–	–	–	–
Exercised	(8)	10	(4)	10
Outstanding at the year end	4	10	12	10
Exercisable at end of the year	4	10	12	10
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	20	10	46	10
Granted	–	–	–	–
Forfeited	–	–	–	–
Exercised	(15)	10	(25)	10
Outstanding at the year end	5	10	20	10
Exercisable at end of the year	5	10	20	10
LTI Plan 2015 (Grant 2017)				
Outstanding at beginning of the year	44	10	74	10
Granted	–	–	–	–
Forfeited	–	–	(5)	10
Exercised	(33)	10	(24)	10
Outstanding at the year end	11	10	44	10
Exercisable at end of the year	11	10	15	10
LTI Plan 2015 (Grant 2018)				
Outstanding at beginning of the year	122	10	158	10
Granted	–	–	–	–
Forfeited	(7)	10	(13)	10
Exercised	(82)	10	(22)	10
Outstanding at the year end	33	10	122	10
Exercisable at end of the year	10	10	25	10

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(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of stock options (in '000)	Exercise price (₹)	Number of stock options (in '000)	Exercise price (₹)
LTI Plan 2015 (Grant 2019-20)				
Outstanding at beginning of the year	135	10	–	–
Granted	–	–	135	10
Forfeited	(28)	10	–	–
Exercised	–	–	–	–
Outstanding at the year end	107	10	135	10
Exercisable at end of the year	64	10	–	–
LTI Plan 2015 (Grant 2020-21)				
Outstanding at beginning of the year	–	–	–	–
Granted	491	10	–	–
Forfeited	–	–	–	–
Exercised	–	–	–	–
Outstanding at the year end	491	10	–	–
Exercisable at end of the year	–	–	–	–

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the optio ns granted during the year ended (₹)		Weighted average share price for the options exercised during the year ended (₹)	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Equity settled plans						
Plan 2008	0.66	1.29	–	–	229.73	251.92
LTI plan 2015	4.33	4.94	–	–	208.17	251.16
LTI plan 2016	4.61	5.71	–	–	202.74	247.60
LTI plan 2017	5.38	6.81	–	–	190.46	248.78
LTI plan 2018	6.94	7.58	–	–	186.39	247.85
LTI plan 2019-20	7.53	8.53	–	131.03	–	–
LTI plan 2020-21	8.44	–	246.64	–	–	–
Cash settled plans						
PUP 2013 & 2014	3.33	4.33	–	–	–	–

The fair value of the options granted during the year was estimated using the Black Scholes, method of valuation with the following assumptions:

Particulars	LTIP Plan 2015 (Grant 2020-21) As at March 31, 2021	LTIP Plan 2015 (Grant 2019-20) As at March 31, 2020
Risk free interest rates	3.23% to 6.32%	4.2% to 6.56%
Vesting period	30 months	28 months
Weighted average share price (₹)	246.64	131.03
Volatility	56.33%	28.26%
Dividend yield	7.70%	7.06%

(Amounts in millions of Indian Rupees, unless stated otherwise)

(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 (₹)	Classification / accounting treatment
SAR Plan 2	Grant 7 (Aug 2018)	34.09	1 - 3	7	1	Cash settled
	Grant 8 (Aug 2019)	51.31	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, 2021	
	Number of stock options	Exercise price (₹)
Performance Unit Plan (Grant 7 & Grant 8)		
Outstanding as on effective date of Merger	85	1
Granted	–	–
Forfeited	–	–
Exercised	–	–
Expired	–	–
Outstanding at the year end	85	1
Exercisable at end of the year	–	–

Remaining contractual life for the options outstanding as of March 31, 2021 is 4.33 years and 5.33 years for Grant 7 and Grant 8 respectively.

Erstwhile Indus Towers Limited granted stock options under the SAR plan 2 to the eligible employees of the Company and the valuation as on March 31, 2020 i.e. before the effective date of merger on the basis of valuation of the erstwhile Indus. Considering the continuation of the same scheme post-merger, the valuation of options has been carried at the same value on the reporting date i.e March 31, 2021, considering all other factors remaining unchanged. The outstanding liability and expense accrual on the plan is not material commensurating the employee benefit expense of the company.

Notes:

(i) Total employees stock/cash options expense recognised for the year ended March 31, 2021 and March 31, 2020 is ₹ 26 Mn and ₹ 17 Mn respectively.

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(Amounts in millions of Indian Rupees, unless stated otherwise)

(ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of ₹ 625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] had acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share in financial year of its incorporation i.e. FY 2014-15.

During the year ended March 31, 2021, the Trust has acquired 107,170 shares at a price of ₹ 235.76 per share and sold 497,532 shares at a price of ₹ 207.25 per share and 159,141 equity shares of ₹ 10 each and 43,384 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options. As of March 31, 2021, the Trust holds 145,090 shares (of Face Value of ₹ 10 each) (March 31, 2020 - 737,977 shares) of the Company.

Reconciliation of numbers of shares held by ESOP Trust

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
	Number of Shares		(₹ Million)	
Opening balance	737,977	636,660	235	240
Purchased during the year	107,170	237,000	25	46
Share sold during the year	(497,532)	(35,330)	(173)	(13)
Issued during the year	(202,525)	(100,353)	(54)	(38)
Closing balance	**145,090**	**737,977**	**33**	**235**

37 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 ₹ 88,169 Mn and ₹ 42,289 Mn for the year ended March 31, 2021 and March 31, 2020 respectively.

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Future minimum lease income receivable:		
Not later than one year	152,342	35,341
Later than one year but not later than five years	327,706	103,749
Later than five years	138,403	34,236
Total	**618,451**	**173,326**

38 Contingencies & Capital commitments

a) Guarantees

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Guarantees issued by banks and financials institutions on behalf of the Company	839	–
Total	**839**	**–**

The financial bank guarantees have been issued to regulatory authorities.

(Amounts in millions of Indian Rupees, unless stated otherwise)

b) Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
Sales tax (refer to a below)	25,879	2
Stamp duty (refer to b below)	224	192
Entry tax (refer to c below)	2,352	1,966
Municipal taxes (refer to d below)	8,391	1,817
Service tax (refer to e below)	39,964	16,631
(ii) Income tax matters (refer to f below)	38,592	247
(iii) Other claims under legal cases including arbitration matters (refer to g below)	2,879	139
Total	**118,281**	**20,994**

Unless otherwise stated below, the management, based on legal advice, believes that, the outcome of these contingencies will be favourable and loss is not probable.

a) Sales tax/VAT

The claims for sales tax comprise mainly of the case relating to levy of VAT on right to use in goods, demand in vehicle seizure case & non submission of concessional forms.

b) Stamp duty

The Company had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. The Company has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam and amended the pending petitions in the states of Mizoram, Bihar and Jammu & Kashmir. Pending disposition of each case by the High Courts, the company has decided to maintain 'Status Quo' on its position/assessment.

During the financial year 2019-20, the Company has opted Bihar Settlement Scheme to settle the pending Entry tax litigation pertaining to the year 2008-09 to 2017-18 amounting to ₹ 1041 Mn, out of which a provision of ₹ 574 Mn has been recognized. Department has rejected the applications against which the Company has filed writ petition, pending for hearing before Hon'ble Patna High Court.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

d) Municipal taxes

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

e) Service tax

The service tax department had issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services under pre GST regime. The Company has filed writ petition before Hon'ble High Court of Delhi which was allowed 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 few 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 has filed appeal before CESTAT, pending for hearing.

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.

f) Income tax matters

This pertains to tax demands mainly on account of disallowance of depreciation on PIA assets transfer under merger scheme, provision for expenditure, Depreciation on Provisional capitalization, expenditure u/s 14A related to exempt income etc. In these cases, the possibility of tax demand materializing is remote, based on internal assessment of the Company.

g) Other claims mainly include site related legal disputes

Amount assessed as contingent liability includes interest and penalty as demanded by various authorities and vendors and doesn't include interest liability that could claimed by authorities in case of unfavourable orders. Further, show cause notices relating to the Direct and Indirect taxes have neither been acknowledged as claims nor considered as contingent liabilities.

c) Capital commitment

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	6,479	1,630
Total	**6,479**	**1,630**

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

39 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	
	March 31, 2021 (refer notes 3 & 52)	March 31, 2020	March 31, 2021 (refer notes 3 & 52)	March 31, 2020
Financial Assets				
- At fair value through profit or loss				
Investment in mutual funds	19,773	51,443	19,773	51,443
Investment in government securities	2,941	2,940	2,941	2,940
- At amortised cost				
Cash and cash equivalents	130	1,450	130	1,450
Other bank balances	–	18	–	18
Trade receivables	38,285	3,667	38,285	3,667
Other financial assets	40,309	6,115	40,309	6,115
	101,438	**65,633**	**101,438**	**65,633**
Financial Liabilities				
- At amortised cost				
Borrowings	69,703	24,184	69,703	24,184
Lease liabilities	133,958	21,901	133,958	21,901
Trade payables	32,575	8,057	32,575	8,057
Other financial liabilities	28,468	2,941	28,468	2,941
	264,704	**57,083**	**264,704**	**57,083**

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, variable rate long term borrowings, trade payables approximate their fair value mainly due to the short-term maturities of these instruments/ being subject to floating rates.

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, lease liabilities and fixed rate long term borrowings (if any) is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities (other than security deposits) are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

There are no significant unobservable inputs used in the fair value measurement.

40 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.

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(Amounts in millions of Indian Rupees, unless stated otherwise)

Level 2: Inputs other than quoted parts included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

Particulars	As at March 31, 2021 (refer notes 3 & 52)	As at March 31, 2020
	Level 1	Level 1
Financial Assets		
- At fair value through profit or loss		
- Investments in mutual funds	19,773	51,443
- Investments in government securities	2,941	2,940
	22,714	**54,383**

No financial assets have been classified into Level 2 and Level 3 fair value measurements.

Further, during the year ended March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

41 Related party Disclosures:

In accordance with the requirements of Ind AS - 24 “Related Party Disclosures”, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

a) List of related parties

i. Key management personnel (KMP)

Bimal Dayal, Managing Director and CEO w.e.f January 08, 2021 (CEO w.e.f November 19, 2020 and earlier he was appointed as Managing Director w.e.f October 22, 2020 till the effective date of merger i.e November 19, 2020)

Vikas Poddar, Chief Financial Officer (w.e.f January 12, 2021)

Pooja Jain, Chief Financial Officer (w.e.f June 4, 2020 till November 30, 2020)

Samridhi Rodhe, Company Secretary

Akhil Kumar Gupta, Chairman (till November 19, 2020)

D.S. Rawat, Managing Director and CEO (till August 3, 2020)

S. Balasubramanian, Chief Financial Officer (till December 5, 2019)

ii. Related parties where control existed (till November 18, 2020) irrespective of whether transactions have occurred or not:

Ultimate Holding Company — Bharti Enterprises Holding Pvt. Ltd.

(It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal’s family trust effectively controlling the said company)

Parent Company — Bharti Airtel Limited

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(Amounts in millions of Indian Rupees, unless stated otherwise)

iii. Related parties where control exists w.e.f. from November 19, 2020:

Relationship	Related Party
Promoter Group (w.e.f November 19, 2020)	Bharti Airtel Limited (Parent Company till November 18, 2020)
	Nettle Infrastructure Investments Limited (Fellow Subsidiary till November 18, 2020)
	Omega Telecom Holdings Private Limited
	Euro Pacific Securities Ltd
	Vodafone Telecommunications (India) Limited
	Trans Crystal Ltd
	Mobilvest
	Prime Metals Ltd
	CCII (Mauritius), Inc.
	Asian Telecommunication Investments (Mauritius) Ltd
	Al-Amin Investments Ltd
	Usha Martin Telematics Limited

iv. Other related parties where control exists and with whom transactions have taken place during the year:

Relationship	Related Party
Subsidiary Company	Smartx Services Limited
Joint Venture	Erstwhile Indus Towers Limited (ceased to exist and merged into the company w.e.f November 19, 2020)
Entities having significant influence [includes Subsidiaries and Joint Venture of the entity to which the Company is a JV]	Bharti Hexacom Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Bharti Telemedia Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Nxtra Data Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Bharti Airtel Services Limited (Fellow Subsidiary till November 18, 2020 and Entity having significant influence w.e.f. November 19, 2020)
	Vodafone Idea Limited (w.e.f. November 19, 2020)
Controlled trust	Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)

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(Amounts in millions of Indian Rupees, unless stated otherwise)

b) Related party transactions during the year:

Related party transactions represent transactions entered into by the Company with promoters, subsidiary Company, entities having significant influence over the Company, erstwhile joint venture and the controlled Trust. The transactions with these related parties for year ended March 31, 2021 and March 31, 2020 and balances as at March 31, 2021 and March 31, 2020 are described below:

Relationship	Promoters		Subsidiary Company		Entities having significant influence		Erstwhile joint venture		Controlled trust	
	Year ended March 31, 2021*	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Nature of transaction										
Loan given	–	–	(38)	(27)	–	–	–	–	(25)	(46)
Loan repaid	–	–	35	129	–	–	–	–	160	50
Prepayment received	–	–	–	–	(24,000)	–	–	–	–	–
Sale of property, plant & equipment	–	3	–	–	–	3	–	–	–	–
Purchase of property, plant & equipment	–	–	–	–	–	(25)	–	–	–	–
Revenue from operations**	79,485	42,216	15	15	49,303	3,425	–	–	–	–
Procurement of services/ Reimbursement of expenses	(261)	(167)	8	2	(87)	(37)	(2)	11	–	–
Security deposit received	(15)	(21)	–	–	(7)	(1)	–	–	–	–
Security deposit refunded	18	1,455	–	–	26	119	–	–	–	–
Commission paid	–	–	–	–	–	–	(55)	(93)	–	–
Dividend received	–	–	–	–	–	–	4,200	–	–	–
Dividend paid/declared	(26,373)	(13,757)	–	–	(13,504)	–	–	–	(6)	(8)
Interest expense	–	–	–	–	(900)	–	–	–	–	–
Interest income	–	–	–	–	169	–	–	–	–	–
Investment in equity	–	–	30	90	–	–	–	–	–	–
Share capital issued	(7,578)	–	–	–	–	–	–	–	–	–
	45,276	**29,729**	**50**	**209**	**11,000**	**3,484**	**4,143**	**(82)**	**129**	**(4)**

*Refer notes 3 and 52

**Inclusive of GST and interest income on exit EMI and represents gross billed and unbilled transactions recorded during the year.

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Relationship	Promoters		Subsidiary Company		Entities having significant influence		Erstwhile joint venture		Controlled trust	
	Year ended March 31, 2021*	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Trade payables	(119)	(115)	–	–	(7)	–	–	(32)	–	–
Other liabilities	(950)	(400)	–	–	(745)	(55)	–	–	–	–
Other current assets	–	–	–	–	–	–	–	–	56	191
Other financial assets	11,000	2,820	229	212	14,949	224	–	–	–	–
Trade receivables #	20,482	2,595	–	–	46,447	1,461	–	–	–	–
Short term borrowings	–	–	–	–	(348)	–	–	–	–	–
Other financial liabilities	(1,431)	(468)	–	–	(2,589)	(40)	–	–	–	–
	28,982	**4,432**	**229**	**212**	**57,707**	**1,590**	**–**	**(32)**	**56**	**191**

*Refer notes 3 and 52

Represents gross billed transactions outstanding at the end of the year.

As at March 31, 2021, the Company has outstanding provision for doubtful debts pertaining to related parties amounting to ₹ 2,546 (March 31, 2020: Nil).

Figures in bracket indicate liability and figures without bracket indicates assets.

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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	
	March 31, 2021	March 31, 2020	FY 2020-21	FY 2019-20
Loan given to related parties				
Smartx Services Limited	192	189	197	298
Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)	56	191	191	195
Total	**248**	**380**	**388**	**493**

Payments made to Key management personnel/ non executive directors:

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Short-term employee benefits (including salary and commission)	140	129
Post-employment benefits	8	26
Termination benefits	465	–
Share based payment	4	7
Total	**617**	**162**

Amount received from KMP for ESOP exercised during the year ended March 31, 2021 is Nil* (March 31, 2020: 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 51.

42 The Company is engaged in the business of establishing, operating and maintaining wireless communication towers. This is the only activity performed and there are no components of the Company that may be identified as a reportable segment. Further, as the Company does not operate in more than one geographical segment, the relevant disclosures as per Ind AS 108, "Operating Segments" are not applicable to the Company.

43 Items of income and expenditure exceeding 1% of revenue from operations

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Dividend income from joint venture (erstwhile Indus Towers Limited)	4,200	–
Power and fuel - Network	51,501	23,638
Salaries, wages and bonus	4,903	2,726
Repair and maintenance - Plant and machinery	7,006	1,986
Provision for doubtful debts and advances (net)	(456)	683
Depreciation and amortization expense	28,429	12,774
Interest cost	2,410	1,357
Interest on lease liabilities	4,977	1,421
Gain/(loss) on investments (including MTM gain/(loss))	1,269	2,840

44 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 ₹ 73,792 Mn was recognised on account of fair value adjustments as on April 1, 2009. Further, the General reserve amounting to ₹ 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 ₹ 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 ₹ 73,257 Mn has been recognised in the Company at the carrying value on the effective date of merger i.e. November 19, 2020. The incremental depreciation for the period from November 19, 2020 to March 31, 2021 aggregating to ₹ 1,133 Mn (includes ₹ 589 Mn on account of alignment of accounting practices and estimates) has been adjusted against the General Reserve arising out of the Scheme.

Had the scheme approved by the Hon’ble High Court of Delhi did not prescribe the accounting treatment mentioned above, these amounts would have been recognized in the statement of profit and loss.

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c) Capital reserve arising out of slump purchase of assets

The wholly owned subsidiary of the Company erstwhile Bharti Infratel Ventures Limited ('BIVL') had acquired certain assets and liabilities from the Company as a going concern on slump sale basis for no consideration as on December 31, 2011. Pursuant to this, BIVL had recognised total assets amounting to ₹ 4,695 Mn, total liabilities of ₹ 159 Mn and the resultant difference of ₹ 4,536 Mn has been recognised as a Capital Reserve. Further, pursuant to Indus Scheme (refer note 44(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.

45 Charity and donation

(i) Corporate Social Responsibility (CSR)

As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ 478 Mn and ₹ 477 Mn for the year ended March 31, 2021 and March 31, 2020 respectively on account of Corporate Social Responsibility.

The Company has spent an amount of ₹ 706 Mn and ₹ 477 Mn during the year ended March 31, 2021 and March 31, 2020 respectively. Details of amount spent during the year are given below:

Sectors in which project is covered	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Contribution to PM Cares fund (Covid) and Support during Covid (Disaster initiative)	251	–
Education & skill development	452	346
Sanitation initiatives	–	130
Monitoring and administration	3	1
Total	706	477

As per the requirements of section 135 of the Companies Act, 2013, erstwhile Indus Towers Limited was required to spend an amount of ₹ 867 Mn for the financial year 2020-21 and has spent ₹ 794 Mn upto to the date of merger with the Company i.e. November 19, 2020 (refer note 3). The shortfall of erstwhile Indus of 73 Mn has been contributed by the Company.

Further, during the year ended March 31, 2021, the Company has spent ₹ 155 Mn (excess spent of the Company by ₹ 228 Mn adjusted with shortfall of erstwhile Indus of ₹ 73 Mn) over and above CSR obligation required to be spent by the Company which can be set off with next year's CSR obligation as per the Companies (CSR Policy) Amendment Rules, 2021.

(ii) In addition to above, Charity and donation includes ₹ 100 Mn paid to Prudent Electoral Trust (FY 2019-20: ₹ 120 Mn paid to Electoral Bond Scheme 2018) and other donation of Nil (FY 2019-20: ₹ 1 Mn).

46 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.

(Amounts in millions of Indian Rupees, unless stated otherwise)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. The Company has not entered into any derivative transactions. All derivative activities if any, for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

- **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in mutual funds, Government Securities, fixed deposits and loans and borrowings etc.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

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, 2021 (refer notes 3 & 52)	As at March 31, 2020
Variable rate instruments		
Long term borrowings (refer note17)	15,051	–
Current maturities of long term borrowings (refer note 24)	11,938	–
Total	**26,989**	**–**

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:

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(Amounts in millions of Indian Rupees, unless stated otherwise)

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax increase/(decrease)
For the year ended March 31, 2021 (refer notes 3 & 52)	+ 100	(89)
	- 100	89
For the year ended March 31, 2020	+ 100	NA
	- 100	NA

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 ₹ 5 Mn (USD 0.06 Mn) included in trade payble as at March 31, 2021 (March 31, 2020: Nil). The Company has not entered into any derivative arrangements during the year ended March 31, 2021.

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.

Trade receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15/30 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Within due date	Less than 6 months	More than 6 months	Subtotal	Allowance for doubtful receivables	Total
Trade receivables as at March 31, 2021 (refer notes 3 & 52)	24,706	14,197	4,232	43,135	(4,850)	38,285
Trade receivables as at March 31, 2020	524	3,689	351	4,564	(897)	3,667

(Amounts in millions of Indian Rupees, unless stated otherwise)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as given in Note 39.

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, 2021 (refer notes 3 & 52)						
	Carrying amount	Contractual cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Long term borrowings*	26,989	28,982	7,502	5,665	10,893	4,922	28,982
Short term borrowings**	54,652	54,911	54,911	–	–	–	54,911
Lease liabilities	133,958	199,094	17,623	12,393	23,056	146,022	199,094
Trade payables	32,575	32,575	32,575	–	–	–	32,575
Other financial liabilities #	16,530	18,665	11,464	2,029	149	5,023	18,665
Total	**264,704**	**334,227**	**124,075**	**20,087**	**34,098**	**155,967**	**334,227**

*Include long term borrowings, current maturities of long term borrowings and committed interest payments on such borrowings.

**Include short term borrowings and committed interest payments on such borrowings.

Include both non-current and current financial liabilities and exclude current maturities of long term borrowings.

Particulars	As at March 31, 2020						
	Carrying amount	Contractual cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Short term borrowings	24,184	24,184	24,184	–	–	–	24,184
Lease liabilities	21,901	32,244	1,728	1,697	3,214	25,605	32,244
Trade payables	8,076	8,076	8,076	–	–	–	8,076
Other financial liabilities	2,886	3,269	2,285	36	23	925	3,269
Total	**57,047**	**67,773**	**36,273**	**1,733**	**3,237**	**26,530**	**67,773**

Collateral

The Company has created a charge in favour of the lenders for loans. Refer note 17 for details.

- **Capital management**

For the purpose of Company's Capital management, Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

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(Amounts in millions of Indian Rupees, unless stated otherwise)

The Company's gearing ratio was as follows:

Particulars	Year ended March 31, 2021 (refer notes 3 & 52)	Year ended March 31, 2020
Total borrowings	81,641	24,184
Less: investments	(22,714)	(54,383)
Less: cash and cash equivalents	(130)	(1,450)
Net debt	**58,797**	**(31,649)**
Total equity	**158,973**	**138,809**
Gearing ratio	**36.99%**	**(22.80)%**

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, 2021.

47 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, 2021 is Nil.

48 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Due to the implementation of Ind AS 116, the nature of expense has been changed from operating lease rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

49 The Ministry of home affairs vide order No.40-3/2020 dated 24.03.2020 notified telecommunication services among the essential services which continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organisation. The passive infrastructure as well as active telecom operations of the Company's customers are covered under essential services which are actively engaged in fulfilling the surge in demand arising out of the choice exercised by almost all industries to conduct their operations remotely. Hence, the telecom industry is among the businesses that are least impacted due to COVID-19. The Company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the company is not expecting any change in estimates as of now as the company is running its business and operations as usual without any major disruptions.

50 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.

51 A large customer of the Company accounts for substantial part of net sales for the period ended March 31, 2021 and also constitutes a significant part of trade receivables outstanding as at March 31, 2021.

Notes to Financial Statements

(Amounts in millions of Indian Rupees, unless stated otherwise)

The said customer in its declared results for the quarter and nine months period ended December 31, 2020, had expressed its ability to continue as going concern to be dependent on successful negotiations with lenders and its ability to generate the cash flow from operations that it needs to settle/ refinance its liabilities and guarantees as they fall due. The said customer in the meeting held on September 4, 2020 has approved the fund-raising plan up to ₹ 250,000 Mn.

By virtue of Indus-Infratel merger, the said customer agreed that the payment of outstanding dues under the MSAs would be settled partly by way of upfront payment which has been received on November 19, 2020 and partly by way of payment in 4 equal installments along with interest @ 6% per annum, out of which all installments have been received during the year ended March 31, 2021. Furthermore, the said customer made an interest bearing (6% per annum) prepayment of ₹ 24,000 Mn to the Company towards its future obligations under MSA. The company has been adjusting the prepayment of ₹ 24,000 Mn towards undisputed dues and amounts falling due after subsequent dispute.

Additionally, the payment obligations of the said customer are secured through a share pledge agreement whereby, subject to terms of the agreement, the Company has created a primary pledge over 190,657,769 shares held in the Company by one of the promoters who is also the promoter of the said customer.

In addition, the Company will have a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the Company and the corporate guarantee by such promoter which can get triggered in certain situations and events in the manner agreed between the parties up to a maximum of ₹ 42,500 Mn. Pursuant to such security and the guarantee by the promoter group of such customer, uncertainty in regard of recovery of trade receivables for the next one year has been mitigated. Basis the security package, the Company has recognized contractual exit charges as and when it gets due.

However, the loss of the significant customer or the failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the Company.

52 Financial statements for the year ended March 31, 2021 are not comparable with the previous year due to the facts as mentioned in note 3. Previous year figures have been regrouped/ rearranged wherever necessary to conform to the current year grouping.

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

Vijay Agarwal
Partner
Membership No: 094468

Place: Gurugram
Date: April 22, 2021

For and on behalf of the Board of Directors of **Indus Towers Limited**

Harjeet Kohli
Director

Ravinder Takkar
Director

Bimal Dayal
Managing Director & CEO

Vikas Poddar
Chief Financial Officer

Samridhi Rodhe
Company Secretary

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

Company Related Terms	
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.
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

Company Related Terms	
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.
Net Debt / (Net Cash) without Lease Liabilities	It is not an IND AS measure and is defined as the sum of ong-term, short-term borrowings and current maturities of long-term borrowings, minus cash and cash equivalents, current and non-current investments, and other bank balances as at the end of the relevant period.
Net Debt / (Net Cash) with Lease Liabilities to EBITDA	Except for period from April 1, 2019 to March 31, 2020, it is computed by dividing net debt / (net cash) with lease liabilities as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period. For the financial year ended March 31 2020, it is computed by dividing net debt / (net cash) with lease liabilities as at the end of the relevant period by annualized EBITDA of year till date period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing net debt / (net cash) with lease liabilities as at the end of the relevant period by Equity attributable to equity shareholders as at the end of the relevant period.
Operating Free Cash flow	It is not an IND AS measure and is defined as EBITDA adjusted for Capex and Non Cash IND AS measures, i.e., operating lease revenue/expense on security deposit received/paid till March 31, 2019. From the period ended June 30, 2019 onwards it is defined as Adjusted EBITDA less Capex for the period.
Operating Profit Margin (%)	Operating Profit Margin ratio is computed by dividing Profit 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.

Company Related Terms	
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
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

Company Related Terms	
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
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)

Company Related Terms	
IPMS	Integrated Power Management System
Li-Ion	Lithium Ion Battery
LTE	Long Term Evolution (a 4G mobile communications standard)
MIMO	Multiple Input , Multiple Output
NABARD	National Bank for Agriculture and Rural Development
NABFINS	NABARD Financial Services Limited
NCLT	National Company Law Tribunal
NCU	Natural Cooling Unit
NGO	Non Government Organisation
O.D BTS	Out Door BTS
OFC Network	Optical Fiber Communication
PAN	Presence across Nation
PPC	Plug and Play Cabinet
PWD	Persons with Disabilities
RCA	Root Cause Analysis
RESCO	Renewable Energy Service Company
RET	Renewable Energy Technology
RoW	Right of Way
RTT	Roof Top Tower
SoS	Emergency Help
TAIPA	Tower and Infrastructure Providers Association
TAT	Turn Around Time
TERI	The Energy and Resource Institute.
TCO	Total Cost of Operation
VRLA	Valve-Regulated Lead-Acid Battery
WH	Warehouse
Wi-fi	Wireless Fidelity
ZOM	Zonal Office Manager

Circle Offices

Andhra Pradesh & Telangana
Survey No. 133, 4-51
8th Floor, SLN Terminus,
Beside Botanical Gardens
Gachibowli, Hyderabad - 500032
(Telangana)

Bihar & Jharkhand
2nd Floor,
Alankar Business Centre,
East Boring Canal Road,
Buddha Colony, Patna – 800001

Delhi
Building No 10, Tower B,
9th Floor DLF Cyber City,
Gurgaon - 122 002 (Haryana)

Gujarat
Baleshwar Square,
103 S.G.Highway,
Ahmedabad - 380054 (Gujarat)

J&K and Himachal Pradesh
3rd Floor, 29 GMC,
TRG Building, Rail Head Complex,
OPP North Block Bahu Plaza,
Jammu, Jammu & Kashmir - 180012

Karnataka
12, Tower D,
Subramanya Arcade, 7th floor,
Bannergatta Rd,
Bengaluru - 560 029 (Karnataka)

Kerala
8th Floor, Vankarath Towers
NH Bypass, Palarivattom, Cochin -
682 024 (Kerala)

Maharashtra & Goa
E Core, 2010, 2nd Floor,
Marvel Edge, Viman Nagar,
Pune 411014 (Maharashtra)

Mumbai
Skyline Icon, 3rd Floor,
Andheri Kurla Road,
Near Mittal industrial Estate,
Andheri East Mumbai-400059

MP & Chhattisgarh
H3, 4th Floor, Metro Tower,
Scheme No.54, Near Vijay Nagar,
A.B. Road, Indore-452010 MP

NESA & Assam
6th Floor, Bijay Cresent Building,
Above Reliance Trends,
Rukminigaon, G.S.Road,
Guwahati - 781022

Odisha
IDCO Plot No. C-3/2,
Chandaka Industrial Area,
Chandrasekharpur,
Bhubneshwar - 751001

Punjab & Haryana
Bestech Business Towers,
1st Floor, Tower A
Industrial Plot No.1, Phase-9,
Sector-66 SAS Nagar (Mohali),
Punjab 160059
Chandigarh - 160 101 (Punjab)

Rajasthan
D-34, Subhash Marg
G Business Park,
2nd & 3rd Floor, C Scheme,
Jaipur - 302001 (Rajasthan)

Tamil Nadu
ESPEE IT Park, 5(N.P),
5th Floor, Jawaharlal Nehru Road,
Ekkaduthangal, Chennai - 600 032
(Tamil Nadu)

UP East
6th Floor, BBD Viraj Towers,
Vibhutikhand, Gomtinagar,
Lucknow - 226010 (Uttar Pradesh)

UP West
2nd Floor, Tower No.-1,
Okaya Centre, B-5, Sector-62,
Gautam Budh Nagar
Noida-201301 (Uttar Pradesh)

West Bengal
Godrej Waterside Tower-1,
8th Floor, Unit-801, Plot No. 5,
Block - DP, Sector - V,
Salt Lake City, Kolkata -700 091
(West Bengal)

indus TOWERS

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