



January 27, 2022

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

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

Ref: Indus Towers Limited (534816 / INDUSTOWER)

Sub: Financial results for the third quarter (Q3) and nine months ended December 31, 2021

Dear Sir/ Madam,

In compliance with Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the following for the third quarter (Q3) and nine months ended December 31, 2021:

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

The above financial results have been reviewed by the Audit & Risk Management Committee in its meeting held today i.e., January 27, 2022 and based on its recommendation, approved by the Board of Directors in its meeting held today i.e. January 27, 2022. The Board Meeting commenced at 03:35 p.m. and concluded at 06 : 30 p.m.

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

Indus Towers Limited

(formerly Bharti Infratel Limited)

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

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

Opinion

We have audited the Consolidated Financial Results for the quarter and nine months ended December 31, 2021 ("the Consolidated Financial Results") included in the accompanying "Statement of Audited Consolidated Ind AS Financial Results for the quarter and nine months ended December 31, 2021" of **Indus Towers Limited** (formerly Bharti Infratel Limited) ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter and nine months ended December 31, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Interim Consolidated Financial Results:

- (i) includes the results of the following entities:
 - a. Indus Towers Limited (ITL) (Parent)
 - b. Smartx Services Limited (100% subsidiary of ITL)
 - c. Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust)
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and nine months ended December 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Interim Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Material uncertainty arising out of certain developments and its consequential impact on business operations

We draw attention to note 4 of the interim consolidated financial results, which describes the impact on business operations and financial position of the Company on account of one of the largest customer's financial condition and its ability to continue as a going concern.

The customer's assumption of going concern is essentially dependent on its ability to raise additional funds as required and successful negotiations with lenders for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due.

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

Management's Responsibilities for the Interim Consolidated Financial Results

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited Consolidated Financial Statements for the year ended March 31, 2021, audited Interim Condensed Consolidated Financial Statements for the quarter ended September 30, 2021 and audited interim consolidated condensed financial statements for the quarter and nine months ended December 31, 2021. The Parent's Board of Directors are responsible for the preparation and presentation of the Interim Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Interim Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Interim Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Interim Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Interim Consolidated Financial Results.

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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 Interim Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Interim Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Consolidated Financial Results, including the disclosures, and whether the Interim Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone Financial Results/ financial information of the entities within the Group to express an opinion on the Interim Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Interim Consolidated Financial Results of which we are the independent auditors.

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

We communicate with those charged with governance of the Parent and other entity included in the Interim Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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Haskins & Sells LLP**

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

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



Vijay Agarwal
Partner

Membership No.094468
UDIN: 22094468AAAAAP6049

Place: Gurugram
Date: January 27, 2022

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

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

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

Statement of Audited Consolidated Ind AS financial results for the quarter and nine months ended December 31, 2021

Particulars	(In Rs. Million except per share data)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2021 (refer note 3 & 9)	September 30, 2021 (refer note 3 & 9)	December 31, 2020	December 31, 2021 (refer note 3 & 9)	December 31, 2020	March 31, 2021 (refer note 3 & 9)
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	69,274	68,765	40,607	206,009	74,625	139,543
Other income	939	927	809	2,435	1,196	1,969
Total income	70,213	69,692	41,416	208,444	75,821	141,512
Expenses						
Power and fuel	25,676	26,511	15,353	78,650	27,791	51,536
Employee benefit expenses	1,943	1,848	1,674	5,663	3,352	5,126
Repairs and maintenance	3,386	3,340	2,210	10,026	3,527	7,246
Other expenses	1,228	661	543	2,939	1,480	3,036
Total expenses	32,233	32,360	19,780	97,278	36,150	66,944
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax	37,980	37,332	21,636	111,166	39,671	74,568
Depreciation and amortization expense	13,500	13,398	10,015	40,316	16,243	29,913
Less: adjusted with general reserve in accordance with the scheme of arrangement	(256)	(237)	(883)	(713)	(1,081)	(1,429)
Finance costs	13,244	13,161	9,132	39,603	15,162	28,484
Finance income	3,979	3,958	2,851	12,048	4,259	8,364
Charity and donation	(186)	(293)	(521)	(822)	(1,504)	(1,992)
Share of profit of joint venture (refer note 3)	54	172	553	344	805	806
Profit before tax	20,889	20,334	9,621	59,993	20,949	38,906
Income tax expense :						
Current tax	5,181	4,749	2,591	14,547	5,459	9,779
Deferred tax	4,982	4,732	2,645	14,670	5,693	9,852
	199	17	(54)	(123)	(234)	(73)
Profit after tax	15,708	15,585	9,791	45,446	24,153	37,790
Other comprehensive income (OCI)						
Items that will not be re-classified to profit and loss						
Remeasurement of the gain/ (loss) of defined benefit plans (net of tax)	-	15	(2)	15	(3)	20
Share of profit/(loss) in OCI of joint venture	-	-	(2)	-	(7)	(7)
Other comprehensive income for the period/year (net of tax)	-	15	(4)	15	(10)	13
Total comprehensive income for the period/year (net of tax)	15,708	15,600	9,787	45,461	24,143	37,803
Paid-up equity share capital (Face value Rs. 10 each)	26,949	26,949	26,949	26,949	26,949	26,949
Other equity	176,480	161,072	166,553	176,480	166,553	131,821
Earnings per share (nominal value of share Rs. 10 each)						
Basic	5.830	5.790	4.941	16.867	12.189	17.516
Diluted	5.830	5.789	4.941	16.866	12.188	17.515

Notes to accounts

- The above financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit & Risk Management Committee in its meeting held on January 27, 2022 and approved by the Board of Directors in its meeting held on January 27, 2022.
- The above financial results are extracted from the audited interim condensed consolidated financial statements of the Company, which have been prepared in accordance with Indian Accounting Standards (Ind AS 34 'Interim Financial Reporting') as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the other accounting principles generally accepted in India. The consolidated financial results represent results of 'the Group' which comprises of the Company, its subsidiary 'Smartx Services Limited', its controlled trust 'Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employees Welfare Trust)' and its share in Joint Venture Company 'erstwhile Indus Towers Limited' (ceased to exist and merged into the Company w.e.f.

November 19, 2020) prepared as per Ind AS 110 on Consolidated Financial Statements, Ind AS 111 on Joint Arrangements and Ind AS 28 on Investment in Associates and Joint Venture.

3. **Merger of 'erstwhile Indus Towers Limited' with 'the Company'**

The Scheme of amalgamation and arrangement between the Company and erstwhile Indus Towers Limited (a joint venture company) became effective on November 19, 2020. Upon implementation of the Scheme, the joint venture company (i.e. erstwhile Indus Towers Limited) merged into the Company on a going concern basis. Further, the name of the Company was changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020 vide certificate of incorporation pursuant to change of name issued by Registrar of Companies.

Upon implementation of the Scheme and allotment of shares to indirect wholly owned subsidiaries of Vodafone Group Plc., in addition to existing promoters (representing Bharti Airtel Limited along with its wholly owned subsidiary Nettle Infrastructure Investments Limited), the aforesaid indirect wholly owned subsidiaries of Vodafone Group Plc. have also been classified as promoters of the Company. Accordingly, the financial results for the periods ended after effective date of merger includes financial results of the operations of erstwhile Indus w.e.f. November 19, 2020.

4. A large customer of the Group accounts for substantial part of net sales for the period ended December 31, 2021 and constitutes a significant part of trade receivables outstanding as at December 31, 2021.

The said customer in its declared results for quarter and nine months period ended December 31, 2021, "had expressed its ability to continue as going concern to be dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The said customer has met all its debt obligations till that date.

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. On October 14, 2021, DoT issued the required notifications giving an option for moratorium of Spectrum instalment and AGR dues to be confirmed by the said customer on or before October 29, 2021. It also provided a period of 90 days to confirm upfront conversion, if any, of the interest amount arising due to such deferment into equity. The said customer has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect.

At its meeting held on January 10, 2022, the Board of Directors of the said customer approved the conversion of the full amount of such interest on the deferred instalments related to spectrum auction amounts and AGR dues into shares of the said customer's Company, either ordinary and / or preference, at the discretion of government". The said customer has notified the DoT accordingly. The next steps in this regard are subject to final confirmation by the DoT.

The aforementioned moratorium appears to have strengthened the said customer's ability to continue as a going concern.

By virtue of Indus-Infratel merger, the payment obligations of the said customer are secured through a share pledge agreement whereby, subject to terms of the agreement, the Group 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 Group has a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the Company and the corporate guarantee by such promoter which can get triggered in certain situations and events in the manner agreed between the parties up to a maximum of Rs. 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 has been mitigated to such extent.

Notwithstanding, the potential loss of a 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.

5. Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] was incorporated in FY 2014-15. During the nine months ended December 31, 2021, Trust has acquired 340,000, 269,838 and 162 shares at a price of Rs. 243.43, 262.73 and 264.78 per share respectively and 27,434 equity shares of Rs. 10 each and 818 equity shares of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2021, the Trust holds 726,838 shares (of Face Value of Rs. 10 each) (March 31, 2021 - 145,090 shares) of the Company.

6. The audited Standalone results of the Company are available on the Company's website www.industowers.com and on the Stock Exchanges websites www.nseindia.com and www.bseindia.com. Key numbers of Standalone Financial Results of the Company are as under:

		Quarter ended			Nine months ended		Year ended
S.No	Particulars	December 31, 2021 (refer note 3 & 9)	September 30, 2021 (refer note 3 & 9)	December 31, 2020	December 31, 2021 (refer note 3 & 9)	December 31, 2020	March 31, 2021 (refer note 3 & 9)
1	Revenue from operations	69,259	68,752	40,598	205,967	74,600	139,508
2	Profit before tax	20,907	20,347	9,634	60,039	25,193	43,160
3	Profit after tax	15,726	15,598	7,043	45,492	19,734	33,282

(In Rs. Million)

7. The Group is engaged in the business of establishing, operating and maintaining wireless communication towers and this is the only major activity performed resulting into main source of risks and returns. The Group's segments as reviewed by the Chief Operating Decision Maker (CODM) does not result into identification of different ways / sources into which they see the performance of the Group. Accordingly, the Group has a single reportable segment. Further, as the Group does not operate in more than one geographical segment, hence, the relevant disclosures as per Ind AS 108 – 'Operating Segments' are not applicable to the Group.
8. 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 is 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 significant changes in estimates as of now as the Group is running its business and operations as usual without any major disruptions.
9. The financial results for the quarter ended December 31, 2021 and September 30, 2021 and nine months ended December 31, 2021 are not comparable to previous periods presented due to the facts mentioned in note 3 above. Previous year/periods figures have been regrouped/ rearranged wherever necessary to conform to the current period grouping.

For Indus Towers Limited (formerly Bharti Infratel Limited)



Bimal Dayal
Managing Director and CEO

Place: Gurugram
Date: January 27, 2022

“The Company”, wherever stated stands for Indus Towers Limited (formerly Bharti Infratel Limited).
For more details on the financial results, please visit our website www.industowers.com

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

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

Opinion

We have audited the Interim Standalone Financial Results for the quarter and nine months ended December 31, 2021 ("the Standalone Financial Results") included in the accompanying "Statement of Audited Standalone Ind AS Financial Results for the quarter and nine months ended December 31, 2021" of **Indus Towers Limited** (formerly Bharti Infratel Limited) ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and nine months ended December 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Interim Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Material uncertainty arising out of certain developments and its consequential impact on business operations

We draw attention to note 4 of the interim standalone financial results, which describes the impact on business operations and financial position of the Company on account of one of the largest customer's financial condition and its ability to continue as a going concern.

The customer's assumption of going concern is essentially dependent on its ability to raise additional funds as required and successful negotiations with lenders for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due.

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

Management's Responsibilities for the Interim Standalone Financial Results

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited Standalone Financial Statements for the year ended March 31, 2021, audited Interim Condensed Standalone Financial Statements for the quarter ended September 30, 2021 and audited interim condensed standalone financial statements for the quarter and nine months ended December 31, 2021. This responsibility includes the preparation and presentation of the Interim Standalone Financial Results for the quarter and nine months ended December 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Interim Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Interim Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Interim Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Interim Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of Listing Regulations.

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Haskins & Sells LLP**

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Standalone Financial Results, including the disclosures, and whether the Interim Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Interim Standalone Financial Results of the Company to express an opinion on the Interim Standalone Financial Results.

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

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

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

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



Vijay Agarwal
Partner
Membership No.094468
UDIN: 22094468AAAAAO1120

Place: Gurugram
Date: January 27, 2022

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

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

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

Statement of Audited Standalone Ind AS financial results for the quarter and nine months ended December 31, 2021

(In Rs. Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021 (refer note 3 & 8)	September 30, 2021 (refer note 3 & 8)	December 31, 2020	December 31, 2021 (refer note 3 & 8)	December 31, 2020	March 31, 2021 (refer note 3 & 8)
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	69,259	68,752	40,598	205,967	74,600	139,508
Other income	939	927	809	2,435	5,396	6,168
Total income	70,198	69,679	41,407	208,402	79,996	145,676
Expenses						
Power and fuel	25,673	26,511	15,352	78,645	27,786	51,529
Employee benefit expenses	1,943	1,848	1,674	5,663	3,352	5,126
Repairs and maintenance	3,386	3,340	2,210	10,026	3,527	7,246
Other expenses	1,216	653	541	2,910	1,470	3,021
Total expenses	32,218	32,352	19,777	97,244	36,135	66,922
Profit before depreciation and amortization, finance cost, finance income, charity and donation and tax	37,980	37,327	21,630	111,158	43,861	78,754
Depreciation and amortization expense	13,485	13,384	10,001	40,272	16,201	29,858
Less: adjusted with General Reserve in accordance with the scheme of arrangement	(256)	(237)	(883)	(713)	(1,081)	(1,429)
	13,229	13,147	9,118	39,559	15,120	28,429
Finance costs	3,976	3,954	2,846	12,038	4,247	8,351
Finance income	(186)	(293)	(521)	(822)	(1,504)	(1,992)
Charity and donation	54	172	553	344	805	806
Profit before tax	20,907	20,347	9,634	60,039	25,193	43,160
Income tax expense:	5,181	4,749	2,591	14,547	5,459	9,778
Current tax	4,982	4,732	2,645	14,670	5,692	9,850
Deferred tax	199	17	(54)	(123)	(233)	(72)
Profit after tax	15,726	15,598	7,043	45,492	19,734	33,382
Other comprehensive income ('OCI')						
Items that will not be re-classified to profit and loss						
Remeasurements gains/(loss) of defined benefit plans (net of tax)	-	15	(2)	15	(3)	20
Other comprehensive income for the period/year, net of tax	-	15	(2)	15	(3)	20
Total comprehensive income for the period/year, net of tax	15,726	15,613	7,041	45,507	19,731	33,402
Paid-up equity share capital (Face value Rs. 10 each)	26,949	26,949	26,949	26,949	26,949	26,949
Other equity	176,877	161,383	166,752	176,877	166,752	132,024
Earnings per equity share (Nominal value of share is Rs. 10 each)						
Basic	5.835	5.788	3.554	16.881	9.958	15.472
Diluted	5.835	5.788	3.554	16.881	9.958	15.472

Notes to accounts

1. The above financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit & Risk Management Committee in its meeting held on January 27, 2022 and approved by the Board of Directors in its meeting held on January 27, 2022.

2. The above financial results are extracted from the audited interim condensed standalone financial statements of the Company which have been prepared in accordance with Indian Accounting Standards (Ind AS 34 'Interim Financial Reporting') as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

3. **Merger of 'erstwhile Indus Towers Limited' with 'the Company'**

The Scheme of amalgamation and arrangement between the Company and erstwhile Indus Towers Limited (a joint venture company) became effective on November 19, 2020. Upon implementation of the Scheme, the joint venture company (i.e. erstwhile Indus Towers Limited) merged into the Company on a going concern basis. Further, the name of the Company was changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020 vide certificate of incorporation pursuant to change of name issued by Registrar of Companies.

Upon implementation of the Scheme and allotment of shares to indirect wholly owned subsidiaries of Vodafone Group Plc., in addition to existing promoters (representing Bharti Airtel Limited along with its wholly owned subsidiary Nettle Infrastructure Investments Limited), the aforesaid indirect wholly owned subsidiaries of Vodafone Group Plc. have also been classified as promoters of the Company. Accordingly, the financial results for the periods ended after effective date of merger includes financial results of the operations of erstwhile Indus w.e.f November 19, 2020.

4. A large customer of the Company accounts for substantial part of net sales for the period ended December 31, 2021 and constitutes a significant part of trade receivables outstanding as at December 31, 2021.

The said customer in its declared results for quarter and nine months period ended December 31, 2021, "had expressed its ability to continue as going concern to be dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The said customer has met all its debt obligations till that date.

The Union Cabinet on September 15, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. On October 14, 2021, DoT issued the required notifications giving an option for moratorium of Spectrum instalment and AGR dues to be confirmed by the said customer on or before October 29, 2021. It also provided a period of 90 days to confirm upfront conversion, if any, of the interest amount arising due to such deferment into equity. The said customer has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect.

At its meeting held on January 10, 2022, the Board of Directors of the said customer approved the conversion of the full amount of such interest on the deferred instalments related to spectrum auction amounts and AGR dues into shares of the said customer's Company, either ordinary and / or preference, at the discretion of government". The said customer has notified the DoT accordingly. The next steps in this regard are subject to final confirmation by the DoT.

The aforementioned moratorium appears to have strengthened the said customer's ability to continue as a going concern.

By virtue of Indus-Infratel merger, 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 has a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the Company and the corporate guarantee by such promoter which can get triggered in certain situations and events in the manner agreed between the parties up to a maximum of Rs. 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 has been mitigated to such extent.

Notwithstanding, the potential loss of a 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.

5. Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust) [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] was incorporated in FY 2014-15. During the nine months ended December 31, 2021, Trust has acquired 340,000, 269,838 and 162 shares at a price of Rs. 243.43, 262.73 and 264.78 per share respectively and 27,434 equity shares of Rs. 10 each and 818 equity shares of Rs. 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2021, the Trust holds 726,838 shares (of Face Value of Rs. 10 each) (March 31, 2021 - 145,090 shares) of the Company.

6. The Company was set-up with the object of, inter alia, establishing, operating and maintaining wireless communication towers. This is the only activity performed and is thus also the main source of risks and returns. The Company's segments as reviewed by the Chief Operating Decision Maker (CODM) does not result into identification of different ways / sources into which they see the performance of the Company. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence, the relevant disclosures as per Ind AS 108 – 'Operating Segments' are not applicable to the Company.
7. 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 Organization. The passive infrastructures 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 significant change in estimates as of now as the Company is running its business and operations as usual without any major disruptions.
8. The financial results for the quarter ended December 31, 2021 and September 30, 2021 and nine months ended December 31, 2021 are not comparable to previous periods presented due to the facts mentioned in note 3 above. Previous year/periods figures have been regrouped/ rearranged wherever necessary to conform to the current period grouping.

For Indus Towers Limited (formerly Bharti Infratel Limited)



Bimal Dayal
Managing Director and CEO

Place: Gurugram
Date: January 27, 2022

“The Company”, wherever stated stands for Indus Towers Limited (formerly Bharti Infratel Limited)
For more details on the financial results, please visit our website www.industowers.com