

January 28, 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: Financial results for the third quarter (Q3) and nine months ended December 31, 2020

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, 2020:

- 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 28, 2021 and based on its recommendation, approved by the Board of Directors in its meeting held today i.e., January 28, 2021. The Board Meeting commenced at 02:50 p.m. (IST) and concluded at 07:45 p.m (IST).

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)

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CIN: L64201HR2006PLC073821 | Email: compliance.officer@industowers.com | www.industowers.com

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 accompanying Statement of Interim Consolidated Financial Results of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its erstwhile joint venture (ceased to exist and merged into the Parent Company w.e.f. November 19, 2020) for the quarter and nine months ended December 31, 2020 ("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 - Name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020)
 - b. Smartx Services Limited (100% subsidiary of ITL)
 - c. Indus Towers Limited (erstwhile Joint Venture of ITL - Ceased to exist and merged into the Parent company w.e.f. November 19, 2020. Refer note 4 to the interim consolidated financial results)
 - d. 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 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 and its erstwhile joint venture for the quarter and nine months ended December 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Interim Consolidated Financial Results section of our report. We are independent of the Group and its 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 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 and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matter section below 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 your attention to Note 9 of the interim consolidated financial results, which describes the effect on business operations and financial position of the Company on account of the Company's 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 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 Rs.250,000 Mn.

Our opinion is not modified in respect of above matter.

Management's Responsibilities for the Interim Consolidated Financial Results

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related audited interim consolidated condensed financial statements for the quarter and nine months ended December 31, 2020. 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 including its erstwhile joint venture 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 and its erstwhile joint venture 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 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 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 and 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 its erstwhile joint venture are responsible for overseeing the financial reporting process of the Group and its erstwhile joint venture.

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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Deloitte Haskins & Sells LLP

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 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 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 and its erstwhile joint venture 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.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- 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 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. For the other entity included in the interim consolidated financial results, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 such other entities 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 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.

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Deloitte Haskins & Sells LLP

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matter

The interim consolidated financial results includes the Group's share of profit after tax of Rs.2,134 millions and Rs.8,663 millions and total comprehensive income of Rs.2,132 millions and Rs.8,656 millions for the period October 01, 2020 to November 18, 2020 and April 01, 2020 to November 18, 2020 respectively, as considered in the Statement, 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 Statement, 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 and the procedures performed by us as stated under Auditor's Responsibilities for the audit of the Interim Consolidated Financial Results section above.

Our opinion on the statement 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.

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



Vijay Agarwal
Partner
Membership No.094468
UDIN: 21094468AAAABB4939

Place: Gurugram
Date: January 28, 2021

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

Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana – 122001

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Statement of Audited Consolidated Ind AS financial results for the quarter and nine months ended December 31, 2020

(In ₹ Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020 (refer note 4 & 13)	September 30, 2020	December 31, 2019	December 31, 2020 (refer note 4 & 13)	December 31, 2019	March 31, 2020
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	40,607	17,664	16,672	74,625	50,609	67,430
Other income	809	222	173	1,196	901	1,287
Total income	41,416	17,886	16,845	75,821	51,510	68,717
Expenses						
Power and fuel	15,353	6,629	6,016	27,791	17,806	23,672
Employee benefit expenses	1,674	838	737	3,352	2,139	2,935
Repairs and maintenance	2,210	709	729	3,527	1,796	2,503
Other expenses	543	417	528	1,480	1,338	2,144
Total expenses	19,780	8,593	8,010	36,150	23,079	31,254
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax	21,636	9,293	8,835	39,671	28,431	37,463
Depreciation and amortisation expense	10,015	3,146	3,198	16,243	9,655	13,217
Less: adjusted with general reserve in accordance with the scheme of arrangement	(883)	(100)	(101)	(1,081)	(303)	(402)
	9,132	3,046	3,097	15,162	9,352	12,815
Finance costs	2,851	581	884	4,259	2,330	3,350
Finance income	(521)	(293)	(681)	(1,504)	(2,507)	(3,370)
Charity and donation	553	1	-	805	586	598
Profit before share of profit of joint venture and tax	9,621	5,958	5,535	20,949	18,670	24,070
Share of profit of joint venture (refer note 4)	2,761	2,882	3,852	8,663	11,360	13,805
Profit before tax	12,382	8,840	9,387	29,612	30,030	37,875
Income tax expense :	2,591	1,514	1,400	5,459	3,538	4,888
Current tax	2,645	1,545	1,322	5,693	4,442	5,806
Deferred tax	(54)	(31)	78	(234)	(904)	(918)
Profit after tax	9,791	7,326	7,987	24,153	26,492	32,987
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)	(2)	5	4	(3)	(7)	(12)
Share of profit/(loss) in OCI of joint venture	(2)	(3)	(5)	(7)	(14)	(9)
Items that will be re-classified to profit and loss						
Fair value changes on financial assets through OCI (net of tax)	-	-	-	-	(98)	(98)
Other comprehensive income for the period/year (net of tax)	(4)	2	(1)	(10)	(119)	(119)
Total comprehensive income for the period/year (net of tax)	9,787	7,328	7,986	24,143	26,373	32,868
Paid-up equity share capital (Face value ₹ 10 each)	26,949	18,496	18,496	26,949	18,496	18,496
Other equity	166,553	119,020	110,757	166,553	110,757	116,927
Earnings per share (nominal value of share ₹ 10 each)						
Basic	4.941	3.961	4.319	12.189	14.327	17.840
Diluted	4.941	3.961	4.319	12.188	14.327	17.839

Notes to accounts

- The above financial results for the quarter and nine months ended December 31, 2020 have been reviewed by the Audit & Risk Management Committee in its meeting held on January 28, 2021 and approved by the Board of Directors in its meeting held on January 28, 2021.



2. The name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020.
3. The above financial results are extracted from the audited interim condensed consolidated financial statements of the Company, which has been prepared in accordance with Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other accounting principles generally accepted in India. The consolidated financial results represent results of the Company, its subsidiary 'Smartx Services Limited', its controlled trust 'Indus Towers Employees Welfare Trust (formerly Bharti Infratel Employee's 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.
4. **Merger of 'erstwhile Indus Towers Limited' with 'the Company'**

The Joint Venture of the Company i.e. erstwhile Indus Towers Limited ('erstwhile Indus') has merged into the Company w.e.f. November 19, 2020 (being the effective date of merger). This resulted in formation of a joint arrangement between the promoter groups i.e. Bharti Airtel Group and Vodafone Group. Further, the name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020. Accordingly, the consolidated financial results for the quarter and nine months ended December 31, 2020 include financial results of the operations of erstwhile Indus from November 19, 2020 to December 31, 2020.

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 and their identity have been preserved in the books of the Company. 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 effective date of merger, the Company has combined assets, liabilities and components of other equity of the erstwhile Indus on line by line basis. Further, the Company has recognised impact of alignment of accounting practices and estimates through General Reserve and Statement of profit and loss for the quarter and nine months ended December 31, 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 ₹ 37,601 Mn was paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company. The difference between share capital of erstwhile Indus of ₹ 1 Mn and shares issued by the Company of ₹ 8,453 Mn and cash paid of ₹ 37,601 Mn to the shareholders of the erstwhile Indus have been debited to the Merger Capital Reserve.

The investment of the Group in Joint Venture (erstwhile Indus) of ₹ 61,338 Mn has been cancelled by debiting the General Reserve to the extent available i.e. ₹ 58,033 Mn in the books of the Company. Further, earlier recognised gain of ₹ 382 Mn and deferred tax liability of ₹ 116 Mn on such investment 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.

The net effect of above adjustments resulted in an increase in the total equity of the Group by ₹ 38,768 Mn. The above effect is based on special purpose Ind AS financial statements of erstwhile Indus as at November 18, 2020 which has been reviewed by the Audit & Risk Management Committee in its meeting held on January 12, 2021 and approved by the Board of Directors in its meeting held on January 12, 2021.

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] 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 nine months ended December 31, 2020, 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 21,184 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2020, the Trust holds 167,290 shares (of Face Value of ₹10 each) (March 31, 2020 - 737,977 shares) of the Company.
6. The Board of Directors has declared 2nd interim dividend for financial year 2020-21 of ₹ 17.82 per equity share in its meeting held today i.e. January 28, 2021.

Further, 1st interim dividend of ₹ 2.30 per equity share declared for the financial year 2020-21 in its meeting held on July 27, 2020 and 3rd interim dividend of ₹ 4.10 per equity share for the financial year 2019-20 in its meeting held on April 23, 2020 has been paid subsequently.



7. 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:

(In ₹ Million)

S.No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020 (refer note 4 & 13)	September 30, 2020	December 31, 2019	December 31, 2020 (refer note 4 & 13)	December 31, 2019	March 31, 2020
1	Revenue from operations	40,598	17,659	16,659	74,600	50,572	67,383
2	Profit before tax	9,634	5,974	5,542	25,193	18,707	24,122
3	Profit after tax	7,043	4,459	4,141	19,734	13,402	17,466

8. For the period ended September 30, 2020, the consolidated segment information has been prepared in line with the review of operating results by the chief operating decision maker (CODM) which includes review of the results of the joint venture on proportionate consolidation basis. The results of the joint venture which were hitherto consolidated and/or accounted under proportionate consolidation method under the previous GAAP but had now been accounted for under equity method of accounting under Ind AS. The Company, considered joint venture as an "Operating Segment" as defined under Ind AS 108 based on review by CODM and accordingly presented segment information for two segments i.e. Infratel (including subsidiaries) and Indus (proportionate share).

Pursuant to the merger, the Joint venture entity has been merged in to the Company during the quarter ended December 31, 2020 and become part of the Company. Since, the Group is engaged in the business of establishing, operating and maintaining wireless communication towers and this is the only activity performed and there are no components of the Group 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 Group on a consolidation basis.

9. A large customer of the Company accounts for substantial part of net sales for the period ended December 31, 2020 and also constitutes a significant part of trade receivables outstanding as at December 31, 2020.

The said customer in its declared results for the quarter ended September 30, 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 that it needs to settle / refinance its liabilities and guarantees as they fall due. The said customer in the Board 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 two installments have been received subsequently). 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. Due to these arrangements, the Company has also recognized contractual exit charges as and when it is due.

Additionally, the payment obligations of the said customer will be secured through a share pledge agreement whereby, subject to RBI approval* and other terms and conditions agreed between the parties, the Company has a primary pledge over 190,657,769 shares in the Company out of those issued to the promoter of the said customer.

In addition, the Company will have a secondary pledge, subject to RBI approval* and other 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 commitment by the said customer and the guarantees by the promoter group of such customer, uncertainty in regards to recovery of trade receivables for the next one-year has been mitigated.

*RBI approval has been received subsequently on January 18, 2021 in relation to pledge of shares subject to certain terms and conditions.

These developments during the period appear positive vis-à-vis the previous quarter. 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.



10. **Reconstitution of the Board and Change in KMP upon effectiveness of the merger**

- The Board of the Company was re-constituted w.e.f. conclusion of the Board meeting held on November 19, 2020. Amongst other changes, Mr. Akhil Gupta resigned from the position of Executive Chairman and Mr. N Kumar, Independent Director, was appointed as the initial 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 Managing Director & CEO w.e.f. January 8, 2021.
 - Ms. Pooja Jain 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.
11. 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.
12. 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.
13. The above results for the quarter and nine months ended December 31, 2020 are not comparable with the previous periods due to the facts as mentioned in note 4. Previous 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

Gurugram
January 28, 2021

"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 accompanying Statement of Interim Standalone Financial Results of Indus Towers Limited (formerly Bharti Infratel Limited) ("the Company"), for the quarter and nine months ended December 31, 2020 ("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, these Standalone Financial Results:

- 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 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, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for 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 your attention to note 10 of the interim standalone financial results, which describes the effect on business operations and financial position of the Company on account of the Company's 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 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 Rs 250,000 Mn.

 Our opinion is not modified in respect of above matter.

Management's Responsibilities for the Interim Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited interim standalone condensed financial statements for the quarter and nine months ended December 31, 2020. The Company's Board of Directors are responsible for the preparation and presentation of the Interim Standalone Financial Results 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 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. 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.
- 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

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**Deloitte
Haskins & Sells LLP**

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 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: 21094468AAAAABA7069

Place: Gurugram
Date: January 28, 2021

Indus Towers Limited (formerly Bharti Infratel Limited)
(CIN: L642011HR2006PLC073821)

Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana – 122001

Telephone No. +91 124 4132600 Fax no. +91 124 4109580, Email id: compliance.officer@industowers.com

Statement of Audited Standalone Ind AS financial results for the quarter and nine months ended December 31, 2020

(In ₹ Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020 (refer note 4 & 12)	September 30, 2020	December 31, 2019	December 31, 2020 (refer note 4 & 12)	December 31, 2019	March 31, 2020
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	40,598	17,659	16,659	74,600	50,572	67,383
Other income	809	222	173	5,396	901	1,287
Total income	41,407	17,881	16,832	79,996	51,473	68,670
Expenses						
Power and fuel	15,352	6,627	6,013	27,786	17,799	23,664
Employee benefit expenses	1,674	838	737	3,352	2,139	2,935
Repairs and maintenance	2,210	709	729	3,527	1,796	2,503
Other expenses	541	415	517	1,470	1,308	2,111
Total expenses	19,777	8,589	7,996	36,135	23,042	31,213
Profit before depreciation and amortization, finance cost, finance income, charity and donation	21,630	9,292	8,836	43,861	28,431	37,457
Depreciation and amortization expense	10,001	3,132	3,196	16,201	9,630	13,176
Less: adjusted with general reserve in accordance with the scheme of arrangement	(883)	(100)	(101)	(1,081)	(303)	(402)
	9,118	3,032	3,095	15,120	9,327	12,774
Finance costs	2,846	578	880	4,247	2,318	3,333
Finance income	(521)	(293)	(681)	(1,504)	(2,507)	(3,370)
Charity and donation	553	1	-	805	586	598
Profit before tax	9,634	5,974	5,542	25,193	18,707	24,122
Income tax expense:	2,591	1,515	1,401	5,459	5,305	6,656
Current tax	2,645	1,545	1,322	5,692	4,441	5,805
Deferred tax	(54)	(30)	79	(233)	864	851
Profit after tax	7,043	4,459	4,141	19,734	13,402	17,466
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)	(2)	5	4	(3)	(7)	(12)
Items that will be re-classified to profit and loss						
Fair value changes on financial assets through OCI (net of tax)	-	-	-	-	(98)	(98)
Other comprehensive income for the period/year, net of tax	(2)	5	4	(3)	(105)	(110)
Total comprehensive income for the period/year, net of tax	7,041	4,464	4,145	19,731	13,297	17,356
Paid-up equity: share capital (Face value ₹ 10 each)	26,949	18,496	18,496	26,949	18,496	18,496
Other equity	166,752	120,934	116,358	166,752	116,358	120,313
Earnings per share (nominal value of share ₹ 10 each)						
Basic	3.554	2.411	2.239	9.958	7.246	9.443
Diluted	3.554	2.411	2.239	9.958	7.246	9.443

Notes to accounts

- The above financial results for the quarter and nine months ended December 31, 2020 have been reviewed by the Audit & Risk Management Committee in its meeting held on January 28, 2021 and approved by the Board of Directors in its meeting held on January 28, 2021.
- The name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020.



3. 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.

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

The Joint Venture of the Company i.e. erstwhile Indus Towers Limited ('erstwhile Indus') has merged into the Company w.e.f. November 19, 2020 (being the effective date of merger). This resulted in formation of a joint arrangement between the promoter groups i.e. Bharti Airtel Group and Vodafone Group. Further, the name of the Company has been changed from Bharti Infratel Limited to Indus Towers Limited w.e.f. December 10, 2020. Accordingly, the financial results for the quarter and nine months ended December 31, 2020 include financial results of the operations of erstwhile Indus from November 19, 2020 to December 31, 2020.

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 and their identity have been preserved in the books of the Company. 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 effective date of merger, the Company has combined assets, liabilities and components of other equity of the erstwhile Indus on line by line basis. Further, the Company has recognised impact of alignment of accounting practices and estimates through General Reserve and Statement of profit and loss for the quarter and nine months ended December 31, 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 ₹ 37,601 Mn was paid to Vodafone Idea Limited (in lieu of cash option exercised for its shareholding of 11.15% in erstwhile Indus) by the Company. The difference between share capital of erstwhile Indus of ₹ 1 Mn and shares issued by the Company of ₹ 8,453 Mn and cash paid of ₹ 37,601 Mn to the shareholders of the erstwhile Indus have been debited to the Merger Capital Reserve.

The investment of the Group in Joint Venture (erstwhile Indus) of ₹ 60,419 Mn has been cancelled by debiting the General Reserve to the extent available i.e. ₹ 58,033 Mn in the books of the Company. Further, earlier recognised gain of ₹ 382 Mn and deferred tax liability of ₹ 116 Mn on such investment 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.

The net effect of above adjustments resulted in an increase in the total equity of the Company by ₹ 39,687 Mn. The above effect is based on special purpose Ind AS financial statements of erstwhile Indus as at November 18, 2020 which has been reviewed by the Audit & Risk Management Committee in its meeting held on January 12, 2021 and approved by the Board of Directors in its meeting held on January 12, 2021.

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] 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 nine months ended December 31, 2020, 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 21,184 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2020, the Trust holds 167,290 shares (of Face Value of ₹10 each) (March 31, 2020 - 737,977 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 in 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 on a standalone basis.
7. The Board of Directors has declared 2nd interim dividend for financial year 2020-21 of ₹ 17.82 per equity share in its meeting held today i.e. January 28, 2021.

Further, 1st interim dividend of ₹ 2.30 per equity share declared for the financial year 2020-21 in its meeting held on July 27, 2020 and 3rd interim dividend of ₹ 4.10 per equity share for the financial year 2019-20 in its meeting held on April 23, 2020 has been paid subsequently.



8. 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.

9. Reconstitution of the Board and Change in KMP upon effectiveness of the merger

- The Board of the Company was re-constituted w.e.f. conclusion of the Board meeting held on November 19, 2020. Amongst other changes, Mr. Akhil Gupta resigned from the position of Executive Chairman and Mr. N Kumar, Independent Director, was appointed as the initial 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 Managing Director & CEO w.e.f. January 8, 2021.
 - Ms. Pooja Jain 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.
10. A large customer of the Company accounts for substantial part of net sales for the period ended December 31, 2020 and also constitutes a significant part of trade receivables outstanding as at December 31, 2020.

The said customer in its declared results for the quarter ended September 30, 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 that it needs to settle/refinance its liabilities and guarantees as they fall due. The said customer in the Board 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 two installments have been received subsequently). 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. Due to these arrangements, the Company has also recognized contractual exit charges as and when it is due.

Additionally, the payment obligations of the said customer will be secured through a share pledge agreement whereby, subject to RBI approval* and other terms and conditions agreed between the parties, the Company has a primary pledge over 190,657,769 shares in the Company out of those issued to the promoter of the said customer.

In addition, the Company will have a secondary pledge, subject to RBI approval* and other 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 commitment by the said customer and the guarantees by the promoter group of such customer, uncertainty in regards to recovery of trade receivables for the next one-year has been mitigated.

*RBI approval has been received subsequently on January 18, 2021 in relation to pledge of shares subject to certain terms and conditions.

These developments during the period appear positive vis-à-vis the previous quarter. 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.

11. 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.



12. The above results for the quarter and nine months ended December 31, 2020 are not comparable with the previous periods due to the facts as mentioned in note 4. Previous periods figures have been regrouped/ rearranged wherever necessary to conform to the current period grouping.

For Indus Towers Limited (formerly Bharti Infratel Limited)



A handwritten signature in black ink, appearing to read "Bimal Dayal".

Bimal Dayal
Managing Director and CEO

Gurugram
January 28, 2021

"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