

Board's Report

Dear Members,

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

Company Overview

Indus Towers is a provider of tower and related infrastructure sharing services. Following the amalgamation of erstwhile Indus Towers Limited with and into your Company during the year under review, we are one of the largest telecom tower companies in India basis the number of towers and co-locations operated by the Company. The business of Indus Towers is to deploy, own, operate and manage passive infrastructure pertaining to telecommunication operations. The Company provides access to its towers, primarily to wireless telecommunication service providers, on a shared basis under long-term contracts. Your Company has a nationwide presence with operations in all 22 telecommunication circles in India and caters to all wireless telecommunication service providers in India.

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

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

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

COVID-19

As one of the largest telecom tower companies in India, it is imperative that Indus Towers combats the COVID-19 pandemic by

providing minimal disruption to the customers while maintaining and ensuring employee safety and well-being.

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

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

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

Financial Highlights

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

A. Consolidated financial results as per Ind AS¹

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

¹Basis Equity Method

²Revenue & EBITDA are excluding other income

B. Standalone financial results as per Ind AS

(₹ Millions)

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

¹Revenue & EBITDA are excluding other income

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

Share Capital

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

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

Transfer to Reserves

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

Dividend

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

thereby resulting in a total dividend of ₹ 20.12/- per equity share of ₹ 10/- each fully paid up (201.2% of face value) for the Financial Year 2020-2021 amounting to ₹ 52,277 Mn.

Dividend Distribution Policy

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

Credit Rating

Post-merger, CRISIL Limited and ICRA Limited migrated its ratings of erstwhile Indus Towers Limited to the Company. As on the date of this report, CRISIL Limited rated their Long-Term Rating to CRISIL AA+/ Stable, Short-term rating to CRISIL A1+ (Reaffirmed) and Bond rating to CRISIL AA+/ Stable. It also reaffirmed the Commercial Papers Rating to CRISIL A1+ assigned to the Company. Further, ICRA Limited rated the Non-Convertible Debentures rating to [ICRA] AA+ (Stable), Term Loans rating to [ICRA] AA+ (Stable), Fund based/ Non-fund based rating to [ICRA] AA+ (Stable) and rating of unallocated limits to [ICRA] AA+ (Stable)/ A1+. It also reaffirmed the Commercial Papers Rating to [ICRA] A1+ and issuer rating to [ICRA] AA+ (Stable) assigned to the Company.

Transfer of amount to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, during the Financial Year 2020-21, the Company has transferred an amount of ₹ 235,542 (Rupees Two Lakh Thirty Five Thousand Five Hundred Forty Two Only) pertaining to final dividend on equity shares for Financial Year 2012-13, lying in "Unpaid Equity Dividend 2013", which remained unpaid/ unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government.

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

The investors whose shares and dividend amount have been transferred to IEPF may claim their shares and seek refund in

accordance with the provisions of law. The details regarding the above along with the process for claiming the unpaid dividend / shares is available on the website of the Company at <https://www.industowers.com/investor/shares/>.

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

Nodal Officer

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

Fixed Deposits

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

Significant Developments

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

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

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

Upon implementation of the Scheme and allotment of shares, in compliance with the provisions of the Companies Act, 2013 and Listing Regulations, and in accordance with the restated Articles of the Company, Vodafone Group (through its subsidiaries) also became promoter of your Company with 28.12% shareholding. The shareholding of Bharti Airtel Group,

existing promoters of the Company was reduced from 53.51% to 36.73%, and consequently, the Company ceased to be a subsidiary of Bharti Airtel Limited. 35.15% Shares were held by public shareholders. Subsequently, Bharti Airtel Group acquired additional ~5% shares in the Company.

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

- **Change in name of the Company**

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

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

Directors and Key Managerial Personnel

Induction, Re-appointment and Resignation

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

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

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

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

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

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

- Mr. Akhil Kumar Gupta (DIN: 00028728), Mr. Bharat Sumant Raut (DIN: 00066080), Mr. Bimal Dayal (DIN: 08927887), Mr. Jitender Balakrishnan (DIN: 00028320), Dr. Leena Srivastava (DIN: 00005737), Mr. Rajinder Pal Singh (DIN: 02943155) and Mr. Tao Yih Arthur Lang (DIN: 07798156) resigned from the Board w.e.f. the conclusion of the Board meeting held on November 19, 2020.
- Mr. Narayanan Kumar (DIN: 00007848) was appointed as the initial Chairman of the Board w.e.f. conclusion of the Board meeting held on November 19, 2020.

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

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

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

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

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of

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

Policy on Nomination, Remuneration and Board Diversity

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

Annual Board Evaluation and Familiarisation Programme for Board Members

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

The HR, Nomination and Remuneration Committee, has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors including the Independent Directors, Chairman and MD & CEO. Customized questionnaires were circulated, responses were analysed, and the results were subsequently discussed by the Board. Recommendations arising from the Evaluation process were duly considered by the Board to further augment its effectiveness. The Board further noted that the Board and the Committees have been reconstituted recently. A detailed update on the Board Evaluation is provided in the report on Corporate Governance which forms part of this Integrated Report.

Board Meetings

During the Financial Year 2020-21, the Board of Directors met 10 times i.e. on April 23, 2020; June 3, 2020; June 24, 2020; July 27, 2020; August 31, 2020; October 22, 2020; November 19, 2020; November 20, 2020; January 12, 2021 and January 28, 2021. The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of Board meetings held and attendance of the Directors during the Financial Year 2020-21 are set out in the Report on Corporate Governance which forms part of this Integrated Report.

Board Committees

The Company has several Board Committees which have been established as part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2021, the Board has 4 Committees, namely, Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The Committee of Directors (COD) was dissolved w.e.f. November 19, 2020. The details with respect to the composition, powers, roles, terms of reference, number of meetings held etc. of the Committees during the Financial Year 2020-21 and attendance of the members at each Committee meeting is provided in the Report on Corporate Governance which forms part of this Integrated Report.

All the recommendations made by the Committees of the Board including the Audit & Risk Management Committee were accepted by the Board.

Subsidiary/ Joint Venture/ Associate Company

As on March 31, 2021, the Company has a wholly owned subsidiary named Smartx Services Limited. The joint venture company i.e. erstwhile Indus Towers Limited had merged with the Company w.e.f. November 19, 2020 thereby resulting in dissolution of erstwhile Indus Towers Limited without any winding up proceeding.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and its subsidiary, which forms part of this Integrated Report. A statement in Form AOC- 1, containing the salient features of the financial statements of the subsidiary company is annexed as **Annexure C** to this report. The statement also provides the details of performance and financial position of the subsidiary company.

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

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

Human Resources

At Indus Towers, we believe that our people are key to the success of our business. While we boast of having telecom industry's best

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

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

Connecting and engaging with nearly 3,442 employees spread across our 22 circles has become possible through our constant communication especially in the third quarter. Communication on changes within the organization on account of merger to revised employee-related policies, from wellbeing initiatives to quizzes and workshops, it has been instrumental in keeping morale of the employees high while ensuring their engagement at the same time.

At Indus Towers, we believe in embracing technology and use it to our advantage to make processes simpler and more efficient. Our shift to the acclaimed Oracle Recruiting cloud has enabled us to digitize the recruitment process completely.

Demographic and technological shifts have made it even more important for people to remain 'fit for the future', both as professionals and as individuals. We constantly organize various learning and development initiatives for our employees. Due to the pandemic, adapting to new methods of working emerged as the need of the hour. During the year under review, we migrated from classroom learning to a technology driven approach, through a virtual platform - Oracle Learning Cloud (OLC). We continued partnership with Lynda - LinkedIn Learning last year. Through such digital learning platform, employees are able to access world class content on the go. During the year under review, we introduced various new courses such as Mod 0 in 8 regional languages, 25 Ready Behavioural Courses and more than 15 Technical Webinars, creating a repository of more than 100 online modules of Behavioural and Functional/ Technical training. To ensure employee safety at workplace, every

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new employee is required to undergo mandatory safety training and existing employees have to undergo annual refresher training. As part of our commitment towards holistic development, employees are continuously being encouraged to go for external certifications and MDP programs from elite institutions like ISB, IIMs, etc.

At Indus Towers, employee well-being and safety have always been a priority. In order to ease anxiety and offer support during the pandemic, we planned various initiatives to ensure the safety of our employees and their family members. A cross functional leadership team (CSC- COVID-19 Steering Committee) was formed and spearheaded by the MD & CEO. Additional health insurance for COVID-19 was offered to employees and the Company continuously monitored and tracked COVID-19 cases on a daily basis to provide adequate support of the Company. PPE kits were provided and travel passes were arranged for field employees to ease their movement and ensure their safety.

Diversity and Inclusion is at the heart of Indus, over the years we have been constantly working on strengthening our policies and processes to provide a safe, equal and inclusive work environment for all.

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

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

Employees Stock Option Plan

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

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

During the Financial Year 2020-21, Company has granted 490,785 stock options under the ESOP Scheme 2014. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme 2008 and ESOP Scheme 2014 is disclosed on the website of the Company at <https://www.industowers.com/investor/shares/>.

A certificate from M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, with respect to ESOP Scheme 2008 and ESOP Scheme 2014 would be placed before the shareholders at the ensuing AGM and a copy of the same will also be available for inspection at the registered office of the Company.

Auditors and Auditors' Report

Statutory Auditors & their Report

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

The Board has duly examined the Statutory Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 which is self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

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

Secretarial Auditors & their Report

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

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

Internal Auditor and Internal Assurance Partner

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

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

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

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

Corporate Social Responsibility (CSR)

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

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

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

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

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

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

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

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

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

Integrated Reporting

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

Business Responsibility Report

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

Management Discussion and Analysis Report

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

Corporate Governance

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

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

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

Risk Management

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

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

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

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

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

Internal Financial Control and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2020-21. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion & Analysis section.

Code of Conduct/ Vigil Mechanism

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

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

Quality Control

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

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

of workmanship. As a regular practice, we have been aggressively carrying out tower maintenance.

We have continued major projects such as Tower maintenance, Foundation strengthening, creation of As-built site drawings and integration of site data on a central platform "One View". Our efforts are always towards zero fire exercise; for ensuring the same, we have enabled teams with thermal scanners and have been carrying out regular audits of each site to ensure site quality control measures are in place. As a unique exercise, we have been imparting product and process trainings to vendor/partners along with quality team on the field, thereby contributing to the organization's cause of delivering products at right time and at low price while maintaining the desired quality standards.

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

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

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

Other Statutory Disclosures

Related Party Transactions

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

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

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

Management Reports

The Policy on the Related Party Transactions is available on the website of the Company at <https://www.industowers.com/wp-content/themes/indus/pdf/Policy-on-Related-Party-Transactions.pdf>.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future other than the orders passed by Hon'ble Tribunal, disclosed in the significant developments section of this report.

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

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

Particulars of loans, guarantees or investments

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

Commercial Papers

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

Particulars of Employees

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

Particulars of employee remuneration as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, in terms of the provisions of the first proviso to Section 136(1) of the Act, the Integrated Report is being sent to the shareholders excluding the aforementioned information. The said information is available for inspection by the members at the registered office of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars, may write to the Company Secretary at the registered office of the Company.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

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

Following the merger of erstwhile Indus Towers Limited with and into the Company, w.e.f. November 19, 2020 the Company does not have any holding company. The Managing Director & CEO and the Chairman of the Company do not receive any remuneration or commission from the subsidiary company.

Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the draft Annual Return having all the available information of the Company as on March 31, 2021, is available on the website of the Company at www.industowers.com.

Maintenance of Cost Records

The Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013.

Sexual Harassment of Women at Workplace

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

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

Directors' Responsibility Statement


Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

- I. In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards had been followed and there is no material departure from the same;
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2021 and of the profit of the Company for the year ended on that date;
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors had prepared the annual accounts on a going concern basis;
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgements

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

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

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

N Kumar
Chairman
DIN: 00007848

Bimal Dayal
Managing Director & CEO
DIN: 08927887

Date: April 22, 2021
Place: Gurugram