BALANCE SHEET
AS AT MARCH 31, 2022

(₹ in Million)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	4,04,149	3,80,019
Right of use assets	4	366	292
Capital work in progress	3	29	18
Intangible assets under development	3	16	-
Other financial assets	5	5,837	4,571
Other non-current assets	6	13,539	3,236
Total non-current assets		**4,23,936**	**3,88,136**
CURRENT ASSETS			
Financial assets:			
Investments	7	1,366	-
Trade receivables	8	417	153
Cash and cash equivalents	9	5,787	9,914
Other bank balances	10	7	3
Other financial assets	11	4,364	4,531
Other current assets	12	3,473	11,589
Total current assets		**15,414**	**26,190**
Total assets		**4,39,350**	**4,14,326**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,150	2,150
Other equity	14	(86,487)	(52,495)
Total equity		**(84,337)**	**(50,345)**
LIABILITIES			
Non - current liabilities			
Financial liabilities:			
Borrowings	15	4,61,199	4,31,851
Lease liabilities	4	165	88
Other financial liabilities	19	11,679	-
Provisions	16	13,255	11,235
Total Non-current liabilities		**4,86,298**	**4,43,174**
Current liabilities			
Financial liabilities:			
Short - term borrowings	17	7,316	-
Lease liabilities	4	33	18
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	18	3	0
- total outstanding dues of creditors other than micro enterprises and small enterprises	18	2,996	1,945

BALANCE SHEET
AS AT MARCH 31, 2022 (Contd.)

(₹ in Million)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Other financial liabilities	19	22,853	14,708
Other current liabilities	20	4,187	4,822
Provisions	16	1	4
Total current liabilities		**37,389**	**21,497**
Total Liabilities		**5,23,687**	**4,64,671**
Total equity and liabilities		**4,39,350**	**4,14,326**
See accompanying notes to the financial statements	1-45		

As per our report of even date.
For **Pathak H D & Associates LLP**
Chartered Accountants
Firm Regn No: 107783W / W100593

For and on behalf of the Board of Directors of
Summit Digitel Infrastructure Private Limited
formerly known as Reliance Jio Infratel Private Limited)

Gopal Chaturvedi
Partner

Date: May 23, 2022
Place: Mumbai

Mihir Nerurkar
Chairperson of the Board
DIN:02038842

Date: May 23, 2022
Place: Mumbai

Dhananjay Joshi
Managing Director and
Chief Executive Officer
DIN: 09096270

Date: May 23, 2022
Place: Mumbai

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm Regn No: 117364W/W100739

Mohammed Bengali
Partner
Date: May 23, 2022
Place: Mumbai

Dinesh Jain
Chief Financial Officer
PAN: AAAPJ4850F

Date: May 23, 2022
Place: Mumbai

Chandra Kant Sharma
Company Secretary
Membership No: F8322
PAN: BSDPS2436J

Date: May 23, 2022
Place: Mumbai

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	21	97,651	82,442
Other income	22	318	153
Total Income		**97,969**	**82,595**
EXPENSES			
Network operating expenses	23	60,654	51,360
Employee benefits expense	24	579	164
Finance costs	25	55,144	34,590
Depreciation and amortisation expense	26	13,219	19,560
Other expenses	27	1,432	301
Total expenses		**1,31,028**	**1,05,975**
Loss before tax		**(33,059)**	**(23,380)**
Tax expenses			
i) Current tax		**-**	**-**
ii) Deferred tax		**-**	**-**
Total tax expense		-	-
Loss for the year		**(33,059)**	**(23,380)**
Other comprehensive income			
A. Items which will not be reclassified to Statement of Profit and Loss			
Remeasurements of the net defined benefit plans		(2)	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
		(2)	-
B. Items that will be reclassified to Statement of Profit and Loss			
Cash flow hedges:			
Fair value loss arising on hedging instrument during the year		(113)	-
Cost of hedging			
Changes in the fair value during the year in relation to time-period related hedged items		(818)	-
Income tax relating to items that will be reclassified to Statement of Profit and Loss		**-**	-
		(931)	-
Total other comprehensive loss (A+B)		**(933)**	**-**
Total comprehensive loss for the year		**(33,992)**	**(23,380)**

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Million)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Earnings per equity share (of face value of Re. 1 each)	28		
Basic per share (in Rupees)		**(15.38)**	**(10.87)**
Diluted per share (in Rupees)		**(15.38)**	**(10.87)**

See accompanying notes to the financial statements 1-45

As per our report of even date.

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Chandra Kant Sharma
Company Secretary
Membership No: F8322
PAN: BSDPS2436J

Date: May 23, 2022
Place: Mumbai

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Loss before tax as per Statement of Profit and Loss	(33,059)	(23,380)
	Adjustments for :		
	Depreciation and amortisation expense	13,219	19,560
	Gain on sale of investments	(16)	(49)
	Interest income on fixed deposits	(261)	(64)
	Interest on income tax refund	-	(40)
	Ineffectiveness on derivative contracts designated as cashflow hedge	2	-
	Net fair value gains from investments at FVTPL	(1)	-
	Balances written off	1,089	-
	Exchange loss (attributable to finance cost)	769	409
	Finance costs	54,375	34,181
	Operating profit before working capital changes	**36,117**	**30,617**
	Adjustments for :		
	Trade and other receivables	(4,568)	12,505
	Trade and other payables	743	(40,910)
	Cash generated from operating activities	**32,292**	**2,212**
	Income taxes (paid) / refund (net)	(48)	488
	Net cash flows from operating activities (A)	**32,244**	**2,700**
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of property, plant and equipment (including Capital Work in Progress and Intangible Assets under Development)	(35,024)	(1,10,631)
	Purchase of investments	(18,670)	(45,029)
	Sale of investments	17,321	45,078
	Investments in bank deposits	(30)	(30)
	Interest received	264	55
	Net cash flow used in investing activities (B)	**(36,139)**	**(1,10,557)**
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Payment of lease liabilities	(32)	(4)
	Proceeds from long term borrowings (net)	1,09,420	5,51,835
	Repayment of long term borrowings	(74,000)	(3,56,720)
	Repayment of short term borrowings	-	(30,050)
	Working capital adjustment (refer note 14 (i))	-	(3,824)
	Finance costs paid	(35,620)	(43,912)
	Net cash flow (used in) / from financing activities (C)	**(232)**	**1,17,325**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(4,127)**	**9,468**
	Opening balance of cash and cash equivalents	**9,914**	**446**
	Closing balance of cash and cash equivalents	**5,787**	**9,914**

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalents comprises of		
Balances with banks in current account	1,787	2,864
Fixed deposits with banks	4,000	7,050
Cash and cash equivalents (refer note 9)	**5,787**	**9,914**

Changes in Liability arising from financing activities

(₹ in Million)

Particulars	As at April 1, 2021	Cash flow	Non cash		As at March 31, 2022
			Unamortised prepaid finance charges	Unrealised exchange loss	
Borrowings (refer note - 15 and 17)	4,31,851	35,420	475	769	4,68,515
Total	**4,31,851**	**35,420**	**475**	**769**	**4,68,515**

(₹ in Million)

Particulars	As at April 1, 2020	Cash flow	Non cash	Transfer from Equity	As at March 31, 2021
			Unamortised prepaid finance charges		
Borrowings (Refer Note - 15)	2,38,194	1,95,115	(1,584)	126	4,31,851
Short - term borrowings (Refer Note - 17)	30,050	(30,050)	-	-	(0)
Total	**2,68,244**	**1,65,065**	**(1,584)**	**126**	**4,31,851**

See accompanying notes to the financial statements 1-45

As per our report of even date.
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(A) Equity share capital

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	2,150	2,150
Changes in equity share capital during the year	-	-
Balance at the end of the year	**2,150**	**2,150**

(B) Other equity:

(₹ in Million)

Particulars	Instrument classified as Equity: 10% Cumulative Optionally Convertible Preference Share Capital Fully paid up	Reserves and surplus: Retained earnings	Other comprehensive income			Total
			Cash flow hedges	Cost of hedging reserve	Other items of other comprehensive income / (loss)	
As on March 31, 2021						
Balance at the beginning of the year i.e. April 1, 2020	500	(21,001)	-	-	-	**(20,501)**
Loss for the year	-	(23,380)	-	-	-	**(23,380)**
Other adjustments (refer note 14)	(500)	(8,114)	**-**	**-**	-	**(8,614)**
Balance at the end of the year i.e. March 31, 2021	**-**	**(52,495)**	**-**	**-**	**-**	**(52,495)**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Million)

Particulars	Instrument classified as Equity: 10% Cumulative Optionally Convertible Preference Share Capital Fully paid up	Reserves and surplus: Retained earnings	Other comprehensive income			Total
			Cash flow hedges	Cost of hedging reserve	Other items of other comprehensive income / (loss)	
As on March 31, 2022						
Balance at the beginning of the year i.e. April 1, 2021	-	(52,495)	-	-	-	**(52,495)**
Loss for the year	-	(33,059)	-	-	-	**(33,059)**
Cost of hedging	-	-	(205)	-	-	**(205)**
Change in fair value of time value of option	-	-	-	(976)	-	**(976)**
Amounts reclassified to Statement of Profit and Loss	-	-	92	158	-	**250**
Remeasurement of defined benefit plans	-	-	-	-	(2)	**(2)**
Balance at the end of the year i.e. March 31, 2022	**-**	**(85,554)**	**(113)**	**(818)**	**(2)**	**(86,487)**

See accompanying notes to the financial statements 1-45

As per our report of even date.
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1 CORPORATE INFORMATION

Summit Digitel Infrastructure Private Limited [formerly known as Reliance Jio Infratel Private Limited] ("SDIPL" or "the Company") is a private limited company incorporated on January 18, 2013 under the provisions of the Companies Act, 1956. Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) holds 100% of the equity shares of the Company. The name of the Company was changed from "Reliance Jio Infratel Private Limited" to "Summit Digitel Infrastructure Private Limited" effective from November 18, 2020. The registered office address of the Company was shifted from 511, Shapath-V, Near Karnavati Club, S G Highway, Ahmedabad, Gujarat-380015 to Unit-2, 9th Floor, Tower 4, Equinox Business Park, LBS Marg, Kurla (W), Mumbai - 400070, Maharashtra w.e.f. January 25, 2022. The Principal business of the Company is setting up and maintaining passive tower infrastructure and related assets and providing passive tower infrastructure services.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the Company, comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow for year ended March 31, 2022 and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

Statement of compliance with Ind AS:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. These financial statements have been prepared and presented on a historical cost convention, except for certain financial assets and liabilities measured at fair values at the end of each reporting period, as stated in the accounting policies below. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use. The financial statements are presented in ₹ million and all values are rounded to the nearest ₹ million, except when otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Current and non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification as per Schedule III division II of Act.

An asset is treated as Current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii) Held primarily for trading;

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as Current when:

i) It is expected to be settled in normal operating cycle;

ii) Held primarily for trading;

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has considered 12 months as its normal operating cycle.

(b) Property, plant and equipment:

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, borrowing

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation is provided using the straight line method as per the useful life of the assets estimated by the management. The estimated useful lives of the assets, which are higher than, lower than or equal to those prescribed under Schedule II of the Act, are listed in the table below. Depreciation on addition/ deletion of property, plant and equipment made during the year is provided on pro-rata basis from/ to the date of such addition/ deletion.

Asset group	Estimated useful life (in years)
Computers	3 years
Plant and Equipments*	13 to 30 years
Office Equipments*	3 years
Furniture and Fixtures*	5 years

Freehold land is not depreciated. Leasehold land and leasehold improvements are amortised over the period of lease.

* For these class of assets, based on an internal assessment supported by a technical evaluation conducted, the management believes the useful life of the assets is appropriate which is different than those prescribed under Part C of Schedule II of the Act.

Based on internal assessment the management believes the residual value of plant and equipments is estimated to be 6% and 5% for other assets of the original cost of those respective assets. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital work in progress and intangible assets under development

Property, plant and equipments and intangible assets that are under construction/ development is accounted for as capital work in progress/ intangible assets under development until such assets are ready for their intended use. Advances given towards acquisition or construction of property, plant and equipments outstanding at each reporting date are disclosed as Capital Advances under "Other non-current assets".

(c) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company's agreements with the landowners for taking land on lease for construction of Towers thereon, read with the stipulations of the Master Service Agreements with its customers have been concluded to be short term lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

As a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

(d) Finance cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to Statement of Profit and Loss as per effective interest rate method in the period in which they are incurred.

(e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Asset Retirement Obligation:

The Company uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective leases.

(f) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss'(ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Company applies' simplified approach which requires expected life time losses to be recognised from initial recognition of the receivables.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(g) Taxation

The tax expense comprises of current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash at banks, cash on hand and short term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short term benefits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

(i) Impairment of non-financial assets - property, plant and equipment

The Company assesses at each reporting date as to whether there is any indication that any item of property, plant and equipment or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(j) Foreign currencies

Transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings and that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or Statement of Profit or Loss are also recognised in OCI or Statement of Profit or Loss, respectively).

In case of an asset, expense or income where non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, dates of transactions are determined for each payment or receipt of advance consideration.

(k) Revenue recognition

The Company earns revenue i.e. infrastructure provisioning fees (IP Fees) and related income primarily from providing passive infrastructure and related services. Revenue is recognised when the Company satisfies the performance obligation by transferring the promised services to the customers. IP Fees are recognised as and when services are rendered on a monthly basis as per the contractual terms prescribed under master services agreement entered with customers. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenues from fixed-price and fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

as to measurement or collectability of consideration, are recognised to the extent the Company has rendered the services, as per the contractual arrangements. Revenue is measured at the fair value of the consideration received or receivable in exchange for transferring the promised services, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Contracts with customers includes certain services received from third-party contractors or vendors. Revenue from such customer contracts is recorded net of costs when the Company is not the principal. In doing so, the Company evaluates whether it controls the good or service before it is transferred to the customer. In determining control, the Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal.

Unbilled revenue represents revenues recognised after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividends are recognised when the Company's right to receive the payment is established.

(I) Financial instruments

i) Financial assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

c) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

ii) **Financial liabilities**

A. **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit and Loss as finance cost.

B. **Subsequent measurement:**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. **Derivative financial instruments and hedge accounting :**

The Company enters into derivative financial instruments including forward contracts, foreign exchange swaps and options to manage its exposure to foreign exchange rate risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured at fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedged item.

The Company designates certain hedging instruments, which includes derivatives in respect of foreign currency as either cash flow hedge or fair value hedge. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the said transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. The effectiveness of hedging instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio). The ineffective portion of designated hedges is recognised immediately in the Statement of Profit and Loss.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair Value Hedge

Changes in the fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

are recognised in the statement of profit and loss in the line item relating to the hedged item. When the Company designates only the intrinsic value of the option as the hedging instrument, it accounts for the changes in the time value in OCI. This amount is removed from OCI and recognised in statement of profit and loss, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects Statement of Profit and Loss if the hedge is transaction related.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in Statement of Profit and Loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. If the hedging instrument expires or is sold or terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

(m) Earnings per share

Basic earnings per share is calculated by dividing the net profit / loss after tax by the weighted average number of equity shares outstanding. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

(n) Cash flow statement

Cash flows are reported using indirect method, whereby net profits / loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(o) Contingent liabilities

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Valuation techniques used are those that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(q) Retirement benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan

The Company provides for gratuity, a defined benefit plan covering eligible employees. The gratuity plans provides lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount base on the respective employees base salary and the tenure of employment. A provision for gratuity liability to the employee is made on the basis of actuarial valuation determined using the projected unit credit method. The benefits are discounted using the discount rates for government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

2.3 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets, liabilities and contingent liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(a) Depreciation and useful lives of property, plant and equipment

Plant and Equipment are depreciated over their estimated useful life which is based on technical evaluation, actual usage period and operations and maintenance arrangements with a vendor, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets periodically in order to determine the amount of depreciation to be recorded during any reporting period.

(b) Asset retirement obligation

Asset retirement obligation created for the cost to dismantle equipment and restore sites at the rented premises upon vacation thereof, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances.

(c) Revenue from operations

The Company constructs towers on parcels of land taken on lease to provide tower infrastructure and related operations and maintenance services to multiple parties inter-alia engaged in rendering telecommunication services. The Company's business is predominantly of rendering of services and not providing a right of use of part or whole of the asset to its customers.

The Company's contract with its largest customer was amended during the previous year effective from August 31, 2020 with a corresponding amendment to the O&M contract and other contracts. On account of this, the Company had to exercise significant judgement in evaluating the accounting for the Contract Modifications under Ind AS 115 during the previous year as well as other consequential accounting adjustments such as working capital adjustments pursuant to the amended terms.

(d) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the contractual terms, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(e) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(g) Leases

As a lessee - determination of lease term

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract and determine the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. Further, in assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company uses significant judgement in assessing the lease term, including anticipated renewals and the arrangements as per the contract with its customers.

(h) Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

New Standards and interpretations issued but not yet applicable:

Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. On March 23, 2022, the MCA has notified Companies (Indian Accounting Standard) Amendment Rules, 2022. The notification has resulted into amendments in the following existing accounting standards which are applicable to the company from April 01, 2022.

i. Ind AS 101 – First time adoption of Ind AS
ii. Ind AS 103 – Business Combination
iii. Ind AS 109 – Financial Instrument
iv. Ind AS 16 – Property, Plant and Equipment
v. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
vi. Ind AS 41 - Agriculture

Application of above standards are not expected to have any significant impact on the financial Statements of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

3 NOTE 3. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Million)

Particulars	Freehold Land (refer note ii and 41)	Lease-hold Improve-ments	Computers	Plant and Equip-ments (refer note i)	Office Equip-ments	Furniture and Fixtures	Total
Gross carrying value as at April 1, 2020	**120**	**-**	**-**	**4,04,829**	**-**	**-**	**4,04,949**
Addition during the year	-	-	6	12,376	-	-	12,382
Deletion during the year	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2021	**120**	**-**	**6**	**4,17,205**	**-**	**-**	**4,17,331**
Addition during the year	-	19	28	37,257	0	6	37,310
Deletion during the year	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2022	**120**	**19**	**34**	**4,54,462**	**0**	**6**	**4,54,641**
Accumulated Depreciation as at April 1, 2020	**-**	**-**	**-**	**17,773**	**-**	**-**	**17,773**
Depreciation during the year	-	-	1	19,538	-	-	19,539
Deletion during the year	-	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2021	**-**	**-**	**1**	**37,311**	**-**	**-**	**37,312**
Depreciation during the year	-	4	8	13,167	0	1	13,180
Deletion during the year	-	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2022	**-**	**4**	**9**	**50,478**	**0**	**1**	**50,492**
Net carrying value as at March 31, 2021	**120**	**-**	**5**	**3,79,894**	**-**	**-**	**3,80,019**
Net carrying value as at March 31, 2022	**120**	**15**	**25**	**4,03,984**	**0**	**5**	**4,04,149**

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work in progress (Refer note iii)	29	18
Intangible assets under development (Refer note iv)	16	-

Notes

(i) With effect from April 1, 2021, based on an internal assessment supported by a technical evaluation conducted by an independent external engineer, the Company has revised the estimated useful life of Plant and Equipments. The effect of the above change in the accounting estimate has been provided prospectively as per Ind AS 8 on "Accounting policies, Changes in Accounting Estimates and Errors". Consequently, depreciation for the year ended March 31, 2022 is lower by ₹ 7,557 Million.

(ii) For properties mortgaged / hypothecated (refer note 15)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(iii) Ageing of Capital Work In Progress (CWIP):

(₹ in Million)

CWIP	As on March 31, 2022		As at March 31, 2021	
	Amount in CWIP for a period of:			
	Less than 1 year	Total	Less than 1 year	Total
Projects in progress	29	29	18	18

(iv) Ageing of Intangible Assets Under Development (IAUD):

(₹ in Million)

Intangible assets under development	As on March 31, 2022		As at March 31, 2021	
	Amount in IAUD for a period of:			
	Less than 1 year	Total	Less than 1 year	Total
Projects in progress	16	16	-	-

(v) None of the ongoing project costs have exceeded its original plan or is overdue as on the reporting date for both CWIP and Intangible assets under development.

4 RIGHT OF USE ASSETS (ROU) AND LEASE LIABILITIES

4A Right of use assets (ROU)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(₹ in Million)

Particulars	Buildings	Land (refer note 41)	Total
Balance as on April 1, 2020	-	207	207
Additions during the year	106	-	106
Depreciation	(10)	(11)	(21)
Balance as on March 31, 2021	**96**	**196**	**292**
Additions during the year	113	-	113
Depreciation	(28)	(11)	(39)
Balance as on March 31, 2022	**181**	**185**	**366**

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

4B Lease liabilities

The following is the break-up of current and non-current lease liabilities :

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	33	18
Non-current lease liabilities	165	88
Total	**198**	106

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The following is the movement in lease liabilities :

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	106	-
Additions	113	106
Finance cost accrued during the year	11	4
Payment of lease liabilities	(32)	(4)
Balance as at the end of the year	**198**	**106**

The table below provides details regarding the contractual maturities of lease liabilities as at the reporting date on an undiscounted basis:

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	46	26
One to five years	151	100
More than five years	45	-
Total	**242**	**126**

5 OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Million)

Particulars (Unsecured and considered good)	As at March 31, 2022	As at March 31, 2021
Security deposits	5,778	4,538
Bank deposits with more than 12 months maturity	59	33
Total	**5,837**	**4,571**

5.1 Bank deposits with more than 12 months maturity of ₹ 59 million (Previous year ₹ 33 million) have been pledged against bank guarantees issued to State Governments and other regulatory authorities.

6 OTHER NON-CURRENT ASSETS

(₹ in Million)

Particulars (Unsecured and considered good)	As at March 31, 2022	As at March 31, 2021
Advance Income Tax / TDS (refer note below)	301	253
Amount paid under protest - GST*	13,192	2,944
Prepaid expenses	46	39
Total	**13,539**	**3,236**

* On account of the ongoing disputes, the Company expects to recover these amounts over a period of more than 12 months.

Note:

a) Advance income tax:		
Balance at the start of the year	253	701
Income tax refund	-	(668)
Tax deducted at source during the year	48	220
Balance at the end of the year	**301**	**253**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Million)

Particulars (Unsecured and considered good)	As at March 31, 2022	As at March 31, 2021
b) Significant component of deferred tax asset / (liabilities):		
Deferred tax liabilities in relation to:		
Written down value of Property, Plant and Equipment	(28,622)	(19,505)
Others	(24)	
Deferred tax asset in relation to:		
Cash Flow hedges and Fair Value hedges	269	-
Carried forward business losses and unabsorbed depreciation losses	46,873	29,488
Total	**18,496**	**9,983**

Deferred taxes are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused losses can be utilised. Considering the accumulated tax losses carried forward, the deferred tax asset aggregating to ₹ 18,496 million (previous year ₹ 9,983 million) is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

c) The amount of unused tax losses for which no deferred tax asset is recognised:

Tax loss carried forward

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Depreciation loss (carried forward indefinitely)	73,491	39,667

d) The amount of unused tax losses for which deferred tax is recognised

Tax loss carried forward

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Business loss (can be c/f till 2027-2028)	2,110	2,235
Business loss (can be c/f till 2028-2029)	3,482	3,820
Business loss (can be c/f till 2029-2030)	19,829	-
Depreciation loss (carried forward indefinitely)	87,330	71,444
Total	**1,12,751**	**77,499**
Deferred tax assets on above	**28,377**	**19,505**

6.1 Reconciliation of income tax expenses for the year to the accounting profit:

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Loss before tax	(33,059)	(23,380)
Applicable tax rate	25.17%	25.17%
Computed tax expense / (income)	(8,320)	(5,884)
Tax effect on account of:		
Unused tax losses for which no deferred tax assets is recognised	8,320	5,884
Income tax expense recognised in the statement of profit and loss	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

7 CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments measured at fair value through Profit and Loss		
Investment in mutual funds		
103,686.19 (March 31, 2021: Nil) units in SBI Overnight fund - Direct Plan - Growth	359	-
3,089,831.10 (March 31, 2021: Nil) units in Nippon India Overnight fund - Direct Growth Plan	353	-
313,609.32 (March 31, 2021: Nil) units in Axis Overnight fund - Direct Growth	352	-
1,933.61 (March 31, 2021: Nil) units in Aditya Birla Sun Life Overnight fund - Growth - Direct Plan	2	-
95,103.29 (March 31, 2021: Nil) units in HDFC Overnight fund - Direct Plan - Growth Option	300	-
Total	**1,366**	**-**
Aggregate amount of unquoted investments	**1,366**	**-**

8 TRADE RECEIVABLES

(₹ in Million)

Particulars (Unsecured and considered good)	As at March 31, 2022	As at March 31, 2021
Trade receivables	417	153
Total	**417**	**153**

Ageing of trade receivables [undisputed trade receivables (considered good)]

(₹ in Million)

Outstanding for following periods from due date of payment	As at March 31, 2022	As at March 31, 2021
Less than 6 months	264	-
6 months to 1 year	-	-
1 - 2 years	-	-
2 - 3 years*	-	153
More than 3 years*	153	-
Total	**417**	**153**

* These amounts are backed by a party through separate arrangement and hence have been considered good.

9 CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in current account	1,787	2,864
Fixed deposits with banks	4,000	7,050
Total	**5,787**	**9,914**

10 BANK BALANCES OTHER THAN COVERED IN CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits with banks	7	3
Total	**7**	**3**

Fixed deposits with bank of ₹ 7 million (previous year ₹ 3 million) have been pledged against bank guarantees issued to State Governments and other regulatory authorities.

11 OTHER FINANCIAL ASSETS - CURRENT

(₹ in Million)

Particulars (Unsecured and considered good)	As at March 31, 2022	As at March 31, 2021
Unbilled revenue*	4,311	4,531
Other receivables	53	-
Total	**4,364**	**4,531**

*Balance as on March 31, 2021 includes contractually reimbursable / receivable amount.

12 OTHER CURRENT ASSETS

(₹ in Million)

Particulars (Unsecured and considered good)	As at March 31, 2022	As at March 31, 2021
Balance with GST authorities	768	9,276
Prepaid expenses	818	655
Advance to vendors	1,887	1,658
Total	**3,473**	**11,589**

13 SHARE CAPITAL

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital :		
3,000,000,000 Equity Shares of Re.1 each	3,000	3,000
100,000,000 Preference Shares of ₹10 each	1,000	1,000
	4,000	**4,000**
Issued, subscribed and fully paid up:		
2,150,000,000 (Previous year: 2,150,000,000) Equity Shares of Re.1 each	2,150	2,150
Total	**2,150**	**2,150**

13.1 Terms, rights and restrictions attached to equity shares

The Company has only one class of equity shares having face value of Re.1 each.

The Equity Shares of the Company, rank pari passu in all respects including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

13.2 The reconciliation of the number of Equity shares outstanding is set out below:

(₹ in Million)

Particulars (No. of shares)	As on March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares at the beginning of the year	2,150	2,150	2,150	2,150
Add: Issue of Shares	-	-	-	-
Equity Shares at the end of the year	**2,150**	**2,150**	**2,150**	**2,150**

13.3 The details of Equity shareholders holding more than 5% shares:

Name of Shareholders	As on March 31, 2022		As at March 31, 2021	
	No. of Shares (in Million)	% held	No. of Shares (in Million)	% held
Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) (Parent along with nominee) (refer note below)	2,150	100%	2,150	100%

Note:

As on April 1, 2020, Data Infrastructure Trust ("Parent / Trust") held 51% of the equity shares of the Company. On August 31, 2020, the Trust acquired remaining 49% of the Equity Shares from Reliance Industries Limited pursuant to the investment in the Trust majorly by BIF IV Jarvis India Pte. Limited, Singapore.

As on March 31, 2022 the Trust owns 100% of the equity shares of the Company.

13.4 Aggregate numbers of Equity Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

Pursuant to the Scheme, (Refer Note 41) 2,000,000,000 Equity Shares of Re. 1 each were issued and allotted as fully paid, as consideration other than in cash, to Reliance Jio Infocomm Limited for the transfer and vesting of its Tower Undertaking.

13.5 Shares held by promoters as on March 31, 2022 :

(₹ in Million)

Promoter name	No. of Shares (in Million)	% of total shares	% Change during the year
Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) (Parent along with nominee)	2,150	100%	No change

Shares held by promoters as on March 31, 2021 :

(₹ in Million)

Promoter name	No. of Shares (in Million)	% of total shares	% Change during the year
Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) (Parent along with nominee)	2,150	100%	49%

14 OTHER EQUITY

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Retained earnings		
At the beginning of the year	(52,495)	(21,001)
Loss for the year	(33,059)	(23,380)
Other adjustments (Refer Note i and ii Below)	-	(8,114)
Balance at end of the year (a)	**(85,554)**	**(52,495)**
Other comprehensive income		
Cash flow hedge reserve		
At the beginning of the year	-	-
Fair value loss arising on hedging instrument during the year	(205)	-
Amounts reclassified to Statement of Profit and Loss	92	-
Balance at end of the year (b)	**(113)**	**-**
Cost of hedging		
At the beginning of the year	-	-
Changes in the fair value during the year in relation to time value of hedging instruments	(976)	-
Amounts reclassified to Statement of Profit and Loss	158	-
Balance at end of the year (c)	**(818)**	**-**
Other items of other comprehensive income / (loss)		
Remeasurement of defined benefit plans		
At the beginning of the year	**-**	**-**
Changes during the year	(2)	**-**
Balance at end of the year (d)	**(2)**	**-**
Total (b+c+d)	**(933)**	**-**
TOTAL (a+b+c+d)	**(86,487)**	**(52,495)**

Notes:

(i) The Company had recorded Net current liability of ₹ 8,505 Million towards the working capital adjustment payable to Reliance Jio Infocomm Limited ("RJIL") under Amended and Restated Master Service Agreement ("MSA") with a corresponding impact to 'other equity' as this relates to aquisition transaction referred in note 13.3. As at March 31, 2022, Net current liability of ₹ 2,588 Million (As at March 31, 2021 - ₹ 4,681 Million) was payable to RJIL.

(ii) These adjustments are in the nature of transaction with owners and will not impact distributions / dividends.

(iii) Debenture Redemption Reserve (DRR) is not required to be created due to absence of profits available for payment of dividend during the current year. The Company has accumulated losses as at March 31, 2022.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(iv) The reconciliation of the number of 10% Cumulative Optionally Convertible Preference Shares is set out below:

Particulars	As on March 31, 2022		As at March 31, 2021	
	No.of Shares	Amount	No.of Shares	Amount
Preference shares at the beginning of the year	-	-	**50,000,000**	**500**
Add: Issue of shares	-	-	-	-
Less: Reclassification due to modification in terms (refer note below)	-	-	(50,000,000)	**(500)**
Preference shares at the end of the year	-	-	-	-

Note:

The Company had outstanding 50,000,000 Cumulative, Participating, Optionally Convertible Preference Shares of ₹ 10/- each aggregating to ₹ 500,000,000 as on April 1, 2020. With effect from August 21, 2020, the terms of the Cumulative, Participating, Optionally Convertible Preference Shares of ₹ 10/- each were amended to Redeemable, Non-Participating, Non-Cumulative, Non-Convertible Preference Shares of ₹ 10/- each. The preference shares are mandatorily redeemable at par for an amount equal to the aggregate par value at the end of 20 years from the date of issuance i.e. March 31, 2039. Accordingly, the Preference Shares have been classified as a liability and have been recognised at the present value of redemption amounting to ₹ 137 Million as on March 31, 2022 (₹ 126 million as on March 31, 2021).

(v) Nature and purpose of other reserves

a) Cash flow hedging reserve -

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of borrowings or reclassified to profit or loss, as appropriate.

b) Costs of hedging reserve -

The Company defers the changes in the forward element of forward contracts and the time value element of option contracts in the costs of hedging reserve. These deferred costs of hedging are included in the initial cost of the related borrowings when it is recognised or reclassified to profit or loss when the hedged item affects profit or loss, as appropriate.

15 BORROWINGS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Term Loans		
(a) Secured:		
(i) From banks	90,423	62,115
Less: Unamortised finance cost	(1,419)	(1,714)
	89,004	**60,401**
(ii) From others	2,851	3,000
Less: Unamortised finance cost	(59)	(36)
	2,792	**2,964**
(b) Unsecured:		
(i) From Parent - Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) (refer note 32)	2,50,000	2,50,000
(II) Redeemable Non Convertible Debentures (Secured)	82,192	1,18,360
Less: Unamortised finance cost	(53)	-
	82,139	**1,18,360**
(III) Senior Secured Notes (Secured)	37,879	-
Less: Unamortised finance cost	(752)	-
	37,127	**-**
(IV) Liability component of compound financial instrument -		
Non-cumulative Redeemable Preference shares (refer note 14(iv)	137	126
Total	**4,61,199**	**4,31,851**

Year ended March 31, 2022

(i) Secured Loans from Banks and Financial Institutions consist of:

1. ₹ 24,649 million of loan, carrying interest rate of 1Y MCLR + 70bps p.a. repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022. In addition to the security disclosed in note (v) below, secured by a first charge by way of hypothecation on the Designated Accounts of the Company for receipt of Receivables and all proceeds lying to the credit thereof from time to time and deposits maintained utilising funds from the Designated Accounts.

2. (a) ₹ 8,000 million of loan, carrying interest rate of 1Y MCLR + 45 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

   (b) ₹ 5,000 million of loan, carrying fixed interest rate of 6.30 % p.a. for three years from date of first disbursement or June 30, 2024. From July 1, 2024 interest rate will be 1Y MCLR + 45 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

   (c) ₹ 7,356 million of loan, carrying interest rate of 1Y MCLR + 10 bps p.a. repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

   In addition to the security disclosed in note (v) below, secured by way of hypothecation (to the extent it can be hypothecated) of all rights, titles, interests, benefits, claims and demands whatsoever of the Company under all the Major Contracts / licenses entered into (which do not require a no objection certificate /consent/approval from Department of Telecommunications/ Telecom Regulatory Authority of India).

3. (a) ₹ 6,000 million of loan, carrying interest rate of 1Y MCLR + 65 bps p.a. repayable till September 1, 2032

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

in 40 equal consecutive quarterly instalments starting from December 2022.

(b) ₹ 4,680 million of loan, carrying interest rate of 1Y MCLR + 0 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

(c) ₹ 4,500 million of loan, carrying interest rate of 1Y MCLR + 20 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

4 (a) ₹ 12,000 million of loan, carrying interest rate of 1Y MCLR + 75 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

(b) ₹ 10,000 million of loan, carrying interest rate of Repo rate (Quarterly reset) + 225 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

(c) ₹ 7,000 million of loan, carrying fixed interest rate of 6.15% p.a. for next 3 years and floating interest rate of 1Y MCLR + 75 bps p.a. thereafter until maturity repayable till September 01, 2032. The loan is repayable in 40 equal consecutive quarterly instalments starting from December 2022.

5. ₹ 3,000 million of loan, carrying interest rate of 1Y BPLR - 195 bps p.a. repayable till September 1, 2032 in 39 equal consecutive quarterly instalments (covering 97% of loan) and last instalment for balance 3% of loan starting from December 2022.

In addition to the security disclosed in note (v) below, a first ranking charge by way of hypothecation on the designated bank account(s) of the Company for receipt of all payments under the Master Service Agreement including, without limitation, the Designated Accounts and all proceeds lying to the credit thereof from time to time; and a first ranking charge by way of hypothecation on the Permitted Investment.

6. ₹ 5,997 million of loan, carrying interest rate of 1Y MCLR + 35 bps p.a. repayable till September 1, 2032 in 39 equal consecutive quarterly instalments (covering 98% of loan) and last instalment for balance 2% of loan starting from December 2022.

(ii) Unsecured Loan from Data Infrastructure Trust (formerly known as Tower Infrastructure Trust):

₹ 2,50,000 million of shareholder loan carrying interest rate of 9.5% p.a. and under the terms of this loan, the rate of interest increases to 15% p.a. after certain operational thresholds are met. These thresholds were met in April, 2021 and, accordingly, the rate of interest has increased effective that date.

The interest and principal is payable subject to availability of surplus cash with the Company.

If payment of any amount due and payable to the Data Infrastructure Trust (“Lender”) (“Parent”) is not made on the respective due date, interest shall accrue on the unpaid sum from the respective due date up to the date of actual payment at a rate of 0.5% p.a. and the applicable interest rate, at the option of the lender.

All outstanding amounts under the loan and all other obligations and liabilities of the Company under the loan agreement constitute subordinated obligations and will be subordinated to the Senior Obligations in right of payment and upon liquidation.

(iii) Secured Redeemable Non-Convertible Debentures consist of:

1. 118,360 (SBI 1Y MCLR + 0.97% p.a.) Secured Redeemable Non-Convertible Debentures (Series PPD 5) (“NCDs”) of face value of ₹1,000,000 each redeemable at par, on or before August 31, 2032. The NCDs are redeemable at par in 40 equal quarterly consecutive instalments of ₹ 2,959 million.

With respect to the listed NCDs, the holders have the ability in certain circumstances to opt for early redemption of all or part of the NCDs at par. This option is available 2 years after the date of allotment but 6 months before expiry. The terms of the NCD also give an option to the Company for early redemption on maximum 20,000 NCDs at par and before expiry of 6 months from date of allotment either in full or in part after the expiry of six months from the date of allotment.

During the year, 65,000 NCDs were redeemed by refinancing option from issuance of other NCDs and term loan drawdown. As at March 2022, 53,360 NCDs are outstanding.

In addition to the security disclosed in note (v) below, Secured by first ranking charge pari-passu with all existing and future secured debt of the Company on all (a) Receivables and rights appurtenant thereto; (b) the designated accounts of the Company for receipt of all payments under the Master Services

Agreement entered into with Reliance Jio Infocomm Limited by the Company and all proceeds lying to the credit thereof from time to time; over which the security interest is created under hypothecation in favour of / for the benefit of the Debenture Holder(s).

2. 6.59 % p.a., 15,000 secured, redeemable, listed and rated non-convertible debentures of a nominal value of ₹ 1,000,000 each redeemable at single instalment at par on June 16, 2026. However the Company has right to buyback all or part of the Debentures on any day before the final redemption date.

   In addition to the security disclosed in note (v) below, Secured by way of first ranking pari-passu charge on receivables of the Company pursuant to the Master Services Agreement and all rights appurtenant thereto.

3. 7.40% p.a., 6,500 secured, redeemable, listed and rated non-convertible debentures of a nominal value of ₹ 1,000,000 each redeemable at single instalment at par on September 28, 2028. However the Company has right to buyback all or part of the Debentures on any day before the final redemption date.

   In addition to the security disclosed in note (v) below, Secured by way of first ranking pari-passu charge on receivables of the Company pursuant to the Master Services Agreement and all rights appurtenant thereto.

4. 7.62% p.a., 10,000 secured, redeemable, listed and rated non-convertible debentures of a nominal value of ₹ 1,000,000 each redeemable at single instalment at par on November 22, 2030. However the Company has right to buyback all or part of the Debentures on any day before the final redemption date.

   In addition to the security disclosed in note (v) below, Secured by way of first ranking pari-passu charge on receivables of the Company pursuant to the Master Services Agreement and all rights appurtenant thereto.

(iv) The Company has issued offshore USD 500 million Senior Secured Notes listed on Singapore stock exchange with amount of ₹ 37,110 million. The notes are repayable on August 12, 2031 in single instalment. At any time prior to August 12, 2030, the Company has the option to redeem up to 40% of the aggregate principal amount of the notes with proceeds from equity offerings at a redemption price of 102.875% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the redemption date August 12, 2031. These notes carries interest rate of 2.875% p.a. payable every six months in August and February.

In addition to the security disclosed in note (v) below, the rights of the Company in the receivables are provided as collateral.

(v) All the term loans from banks and financial institutions, Secured Redeemable Non-Convertible Debentures and Senior Secured Notes are secured by first ranking pari passu charge by way of hypothecation on the following assets:

(a) All movable fixed assets (present and future) of the Company;

(b) All current assets (present and future) of the Company; and

(c) All rights of the Company under the Material Documents.

Year ended March 31, 2021

(i) Secured Loans from Banks and Financial Institutions consist of:

1. ₹ 14,115 million of loan, carrying interest rate of 1Y MCLR + 70bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022. In addition to the security disclosed in note (iv) below, secured by a first charge by way of hypothecation on the Designated Accounts of the Company for receipt of Receivables and all proceeds lying to the credit thereof from time to time and deposits maintained utilising funds from the Designated Accounts.

2. ₹ 6,000 million of loan, carrying interest rate of 1Y MCLR + 50bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

3. ₹ 8,000 million of loan, carrying interest rate of 1Y MCLR + 45 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

   In addition to the security disclosed in note (iv) below, secured by way of hypothecation (to the extent it can be hypothecated) of all rights, titles, interests, benefits, claims and demands whatsoever of the Company under all the Major Contracts / licenses entered into (which do not require a no objection certificate /consent/approval from Department of Telecommunications/ Telecom Regulatory Authority of India).

4. ₹ 3,000 million of loan, carrying interest rate of 1Y MCLR + 75 bps p.a. repayable till September 1, 2032 in

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

40 equal consecutive quarterly instalments starting from December 2022.

5. ₹ 6,000 million of loan, carrying interest rate of 1Y MCLR + 65 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
6. ₹ 12,000 million of loan, carrying interest rate of 1Y MCLR + 75 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
7. ₹ 7,000 million of loan, carrying fixed interest rate of 6.15% p.a. for next 3 years and floating interest rate of 1Y MCLR + 75 bps p.a. thereafter until maturity repayable till September 1, 2032. The loan is repayable in in 40 equal consecutive quarterly instalments starting from December 2022.
8. ₹ 3,000 million of loan, carrying interest rate of 1Y BPLR - 195 bps p.a. repayable till September 1, 2032 in 40 consecutive quarterly instalments starting from December 2022.

   In addition to the security disclosed in note (iv) below, a first ranking charge by way of hypothecation on the designated bank account(s) of the Company for receipt of all payments under the Master Service Agreement including, without limitation, the Designated Accounts and all proceeds lying to the credit thereof from time to time; and a first ranking charge by way of hypothecation on the Permitted Investment.
9. ₹ 6,000 million of loan, carrying interest rate of 1Y MCLR + 35 bps p.a. repayable till September 1, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.

(ii) Unsecured Loan from Data Infrastructure Trust (formerly known as Tower Infrastructure Trust):

₹ 2,50,000 million of shareholder loan carrying interest rate of 9.5% p.a. and under the terms of this loan, the rate of interest increases to 15% p.a. after certain operational thresholds are met.

The interest and principal is payable subject to availability of surplus cash with the Company.

If payment of any amount due and payable to the Data Infrastructure Trust ("Lender") ("Parent") is not made on the respective due date, interest shall accrue on the unpaid sum from the respective due date up to the date of actual payment at a rate of 0.5% p.a. and the applicable interest rate, at the option of the lender.

All outstanding amounts under the loan and all other obligations and liabilities of the Company under the loan agreement constitute subordinated obligations and will be subordinated to the Senior Obligations in right of payment and upon liquidation.

(iii) Secured Redeemable Non-Convertible Debentures consist of:

118,360 (SBI 1Y MCLR + 0.97% p.a.) Secured Redeemable Non-Convertible Debentures (Series PPD 5) ("NCDs") of face value of ₹1,000,000 each redeemable at par, on or before August 31, 2032. The NCDs are redeemable at par in 40 equal quarterly consecutive instalments of ₹ 2,959 million.

With respect to the listed Non-Convertible Debentures, the holders have the ability in certain circumstances to opt for early redemption of all or part of the NCDs at par. This option is available 2 years after the date of allotment but 6 months before expiry. The terms of the NCD also give an option to the Company for early redemption on maximum 20,000 NCDs at par and before expiry of 6 months from date of allotment either in full or in part after the expiry of six months from the date of allotment.

The proceeds raised from the said issue have been utiliaed for the purpose for which they were issued i.e. the redemption of 118,360 Secured, Unlisted, Redeemable Non-Convertible Debentures ('Unlisted NCDs') of ₹ 1,000,000 each aggregating to ₹ 118,360 million issued on August 31, 2020. This redemption was completed on March 15, 2021.

(iv) All the term loans from banks and financial institutions and the Secured Redeemable Non-convertible Debentures are secured by first ranking pari passu charge by way of hypothecation on the following assets:

(a) All movable fixed assets (present and future) of the borrower;

(b) All current assets (present and future) of the borrower; and

(c) All rights of the borrower under the Material Documents,

(The security creation in respect of Secured Redeemable Non-convertible Debentures has been completed subsequent to March 31, 2021.)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

16 PROVISION

(₹ in Million)

Particulars	As on March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Asset retirement obligation (refer note 30)	13,236	-	11,234	-
Provision for gratuity and leave encashment (refer note 31)	19	1	1	4
Total	**13,255**	**1**	**11,235**	**4**

17 SHORT - TERM BORROWINGS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long term debt (secured) (refer note 15)	7,316	-
Total	**7,316**	**-**

18 TRADE PAYABLES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 29)	3	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,996	1,945
Total	**2,999**	**1,945**

Ageing of trade payables (undisputed trade payables)

As at March 31, 2022

(₹ in Million)

Particulars	Outstanding for following periods from the date of transaction					Total
	Not due	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	
(i) MSME	-	3	-	-	-	3
(ii) Others	1,832	903	148	113	0	2,996
Total	**1,832**	**906**	**148**	**113**	**0**	**2,999**

As at March 31, 2021

(₹ in Million)

Particulars	Outstanding for following periods from the date of transaction					Total
	Not due	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	
(i) MSME	-	0	-	-	-	0
(ii) Others	711	1,056	178	0	-	1,945
Total	**711**	**1,056**	**178**	**0**	**-**	**1,945**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

19 OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As on March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Derivatives - Call options	463	475	-	-
Derivatives - Coupon only swaps	-	129	-	-
Interest accrued but not due	-	21,938	-	4,029
Security deposit	11,216	-	-	10,173
Capital creditors	-	311	-	-
Others	-	-	-	506
Total	**11,679**	**22,853**	**-**	**14,708**

20 OTHER CURRENT LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Other liabilities (refer note 14 (i))	2,588	4,681
Statutory liabilities	1,599	141
Total	**4,187**	**4,822**

21 REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of services (Refer Note 38)	97,651	82,442
Total	**97,651**	**82,442**

22 OTHER INCOME

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on fixed deposits	261	64
Interest on income tax refund	-	40
Gain on sale of investments	16	49
Net gains from Investments at FVTPL	1	-
Others	40	-
Total	**318**	**153**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

23 NETWORK OPERATING EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	39,312	33,108
Rent	14,819	13,241
Repairs and maintenance	6,516	5,011
Other network related expense	7	-
Total	**60,654**	**51,360**

24 EMPLOYEE BENEFITS EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	545	158
Contribution to provident fund and other funds (refer note 31)	17	4
Staff welfare expenses	13	1
Gratuity (refer note 31)	4	1
Total	**579**	**164**

25 FINANCE COSTS

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on:		
Borrowings	53,539	33,831
Lease	11	4
Exchange loss (attributable to finance cost)	769	409
Other borrowing cost	825	346
Total	**55,144**	**34,590**

26 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	13,180	19,539
Depreciation on right to use assets	39	21
Total	**13,219**	**19,560**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

27 OTHER EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	214	152
Rates and taxes	7	18
Payment to Auditors (Refer Note 37)	19	11
Travelling expenses	16	3
Balances written off	1,089	-
Exchange loss (net)	7	-
Ineffectiveness on derivatives designated as cashflow hedge	2	-
Miscellaneous expenses	78	117
Total	**1,432**	**301**

28 EARNINGS PER SHARE (EPS)

(₹ in Million except per share data)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
i.	Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(33,059)	(23,380)
ii.	Weighted average number of equity shares used as denominator for calculating EPS	2,150	2,150
iii.	Basic earnings per share (₹)	(15.38)	(10.87)
iv.	Diluted earnings per share (₹)	(15.38)	(10.87)
v.	Face value per equity share (Re.)	1	1

29 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Below is the Company outstanding dues to the micro, small and medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. The identification of micro and small enterprises is based on information available with the management.

(₹ in Million)

	Particulars	As at March 31, 2022	As at March 31, 2021
a	Principal amount due to micro and small enterprises	3	-
b	Interest due on above	-	-
c	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
d	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
e	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

30 ASSETS RETIREMENT OBLIGATION (ARO)

Asset retirement obligation created for the cost to dismantle equipment and restore sites at the rented premises upon vacation thereof. The provision represents the Company's best estimate of the amount that may be required to settle the obligation. The provisions are expected to be settled at the end of the respective contact terms. No recoveries are expected in respect of the same.

Movement in assets retirement obligation (ARO)

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
At beginning of the year	11,234	10,854
Addition during the year	2,002	380
At end of the year	**13,236**	**11,234**

31 AS PER INDIAN ACCOUNTING STANDARD 19 "EMPLOYEE BENEFITS" THE DISCLOSURES AS DEFINED ARE GIVEN BELOW :

Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under :

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's contribution to Provident Fund	17	4

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Defined benefit Plan:- The plan is unfunded hence there are no planned assets.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation at beginning of the year	1	-
Add : Transfers	-	-
Current service cost	4	1
Interest cost	0	-
Actuarial (gain) / loss	2	-
Defined benefit obligation at year end	**7**	**1**

II) Reconciliation of fair value of assets and obligations

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets	-	-
Present value of obligation	7	1
Amount recognised in Balance Sheet	**7**	**1**

III) Expenses recognised during the year

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	4	1
Interest cost	0	-
Actuarial (gain) / loss	-	-
Net cost	**4**	**1**

IV) The actuarial liability for compensated absenses as at March 31, 2022 is ₹ 13 million (March 31, 2021: ₹ 4 million).

V) Actuarial assumptions

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal rate	10%	10%
Retirement age (years)	65	65
Discount rate (per annum)	6.95%	6.41%
Rate of escalation in salary (per annum)	8.00%	8.00%

VI) Maturity Profile

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Average expected future working life (years)	8.77	8.73
Expected future cashflows		
Year 1	0.04	0.01
Year 2	0.04	0.01
Year 3	0.04	0.01
Year 4	0.96	0.01
Year 5	0.80	0.43
Year 6 to year 10	3.88	0.52
Above 10 Years	3.97	0.56

VII) Sensitivity analysis

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate		
a. Discount rate - 100 basis points	8	1
a. Discount rate - 100 basis points impact (%)	10.46%	9.78%
b. Discount rate + 100 basis points	6	1
b. Discount rate + 100 basis points impact (%)	(9.10%)	(8.59%)
Salary increase rate		
a. rate - 100 basis points	6	1
a. rate - 100 basis points impact (%)	(9.51%)	(8.54%)
b. rate + 100 basis points	8	1
b. rate + 100 basis points impact (%)	10.76%	9.53%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

These plans typically expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk.

Interest risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Salary risk	Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

32 RELATED PARTY DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships :

(i) Name of Related Party

Entity which exercises control on the Company	
Brookfield Asset Management (from August 31, 2020)	Ultimate Parent
Data Infrastructure Trust (formerly known as Tower Infrastructure Trust)	Parent
Entity under common control (Fellow Subsidiary)	
Space Teleinfra Private Limited (w.e.f. March 10, 2022)	
Members of same group w.e.f. August 31, 2020	
BIF IV Jarvis India Pte Limited, Singapore	
Equinox Business Parks Private Limited	
Vrihis Properties Private Limited (Brookfield Real Estate)	
RMZ Infotech Private Limited	
Schloss Udaipur Private Limited	
Schloss Chennai Private Limited	
Schloss Bangalore Private Limited	
Schloss Chanakya Private Limited	
Key Managerial Personnel	
Ratnesh Rukhariyar (Resigned w.e.f. August 31, 2020)	Non-executive Director
Venkataraman Ramachandran (Resigned w.e.f. August 31, 2020)	Non-executive Director
Thriveni Shetty (Resigned w.e.f. August 31, 2020)	Non-executive Director
Mihir Nerurkar (Appointed w.e.f. August 31, 2020)	Non-executive Director
Jeffrey Wayne Kendrew (Appointed w.e.f. August 31, 2020)	Non-executive Director
Arpit Agrawal (Appointed w.e.f. August 31, 2020)	Non-executive Director
Dhananjay Joshi (Appointed w.e.f. September 1, 2020)	Managing Director and Chief Executive Officer
Rishi Tibriwal (Appointed w.e.f. September 1, 2020 and resigned w.e.f. July 15, 2021)	Chief Financial Officer
Dinesh Jain (Appointed w.e.f September 21, 2021)	Chief Financial Officer
Priyadarshi Sidhartha (Appointed w.e.f September 25, 2020 and resigned w.e.f. January 31, 2021)	Company Secretary
Chandra Kant Sharma (Appointed w.e.f. February 1, 2021)	Company Secretary

(ii) Transactions during the year with related parties

(₹ in Million)

Sr No	Particulars	Relationship	Year ended March 31, 2022	Year ended March 31, 2021
1	**Loan Taken**			
	Data Infrastructure Trust (formerly known as Tower Infrastructure Trust)	Entity which exercises control on the Company	-	2,50,000
2	**Interest expense**			
	Data Infrastructure Trust (formerly known as Tower Infrastructure Trust)	Entity which exercises control on the Company	39,042	13,860
3	**Working Capital adjustment**	Refer Note 14(i)	-	8,505
4	**Payment to Key Managerial Personnel:**			
	Dhananjay Joshi (Appointed w.e.f. September 1, 2020)		34	13
	Priyadarshi Sidhartha (Appointed w.e.f. September 25, 2020 and resigned w.e.f. January 31, 2021)		-	2
	Dinesh Jain (Appointed w.e.f. September 21, 2021)		11	-
	Chandra Kant Sharma (Appointed w.e.f. February 1, 2021)		3	0
5	**Deposit paid**			
	Equinox Business Parks Private Limited	Members of same group	-	14
6	**Expenses Incurred**			
	Equinox Business Parks Private Limited	Members of same group	30	5
	Vrihis Properties Private Limited (Brookfield Real Estate)	Members of same group	8	12
	Schloss Bangalore Private Limited	Members of same group	0	-
	Schloss Udaipur Private Limited	Members of same group	1	1
	Schloss Chennai Private Limited	Members of same group	1	2
	Schloss Chanakya Private Limited	Members of same group	1	1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(iii) Balance as at year ended

(₹ in Million)

Sr No	Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
1	**Loan payable**			
	Data Infrastructure Trust (formerly known as Tower Infrastructure Trust)	Entity which exercises control on the company	2,50,000	2,50,000
2	**Deposit receivable**			
	Equinox Business Parks Private Limited	Members of same group	14	14
	RMZ Infotech Private Limited	Members of same group	0	-
	Schloss Chennai Private Limited	Members of same group	0	-
3	**Payable**			
	Vrihis Properties Private Limited (Brookfield Real Estate)	Members of same group	(0)	0
	Equinox Business Parks Private Limited	Members of same group	(0)	-
	Schloss Chennai Private Limited	Members of same group	-	0
	Schloss Bangalore Private Limited	Members of same group	(0)	-
	Schloss Chanakya Private Limited	Members of same group	(0)	0
	Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) - Interest Payable	Entity which exercises control on the Company	20,562	3,494

Compensation of Key Management Personnel

The remuneration of key management personnel during the year was as follows:

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Short-term benefits (Refer Note i below)	62	15
ii) Post employment benefits (Refer Note ii below)	-	-
	62	**15**

Note -

i. This includes provision towards short-term benefit employee expense.

ii. Post employment benefits are actuarially determined on overall basis and hence not separately provided.

33 CONTINGENT LIABILITIES AND COMMITMENTS

(I) Contingent liabilities

Municipal Tax:

The Company based on its assessment of the applicability and tenability of certain municipal taxes, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective authorities, the Company would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

(ii) Commitments

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Estimated amount of contracts remaining to be executed on Capital account not provided for	42,130	74,809

The Company's network operating expenses include repairs and maintenance for which the Company has entered into an operations and maintenance agreement for 30 years. Costs are recognised as services are rendered by the service provider.

34 FINANCIAL INSTRUMENTS

A. Capital management

The Company adheres to a disciplined capital management framework, the pillars of which are as follows:

i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

ii) The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

iii) Manage financial market risks arising from foreign exchange and interest rates, and minimise the impact of market volatility on earnings.

Net Gearing Ratio

The net gearing ratio at the end of the year was as follows:

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (refer note (i))	4,68,515	4,31,851
Cash and cash equivalents (refer note 9)	(5,787)	(9,914)
Net debt (A)	4,62,728	4,21,937
Total Equity (B)	(84,337)	(50,345)
Net Gearing ratio (A/B)*	**-**	-

*Net debt to equity ratio cannot be calculated as the total equity is negative.

Note: (i) Debt is defined as long - term and short - term borrowings as described in note 15 and 17.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

B. Categories of financial instruments and fair value measurement hierarchy:

The financial instruments are categorised into two levels based on inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The Company considers that the carrying amount recognised in the financial statements for financial assets and financial liabilities measured at amortised cost approximates their fair value.

(₹ in Million)

Particulars	As on March 31, 2022			As at March 31, 2021		
	Carrying amount	Fair value hierarchy Level of input used in		Carrying amount	Fair value hierarchy Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial assets:						
At Amortised Cost:						
Trade receivables	417	-	-	153	-	-
Cash and cash equivalents	5,787	-	-	9,914	-	-
Other bank balances	7	-	-	3	-	-
Other financial assets	10,201	-	-	9,102	-	-
At Fair Value through Profit and Loss (FVTPL):						
Investments	1,366	1,366	-	-	-	-
Financial liabilities:						
At Fair Value through Profit and Loss (FVTPL):						
Derivative instruments - Call options	938	-	938	-	-	-
Derivative instruments - Coupon only Swaps	129	-	129	-	-	-
At Amortised Cost:						
Borrowings	4,68,515	-	-	4,31,851	-	-
Trade payables	2,999	-	-	1,945	-	-
Lease liabilities	198	-	-	106	-	-
Other financial liabilities (excluding derivative instruments)	33,465	-	-	14,708	-	-

Valuation methodology:

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

a) The fair value of investment in Mutual Funds is measured at Net Asset Value as at the reporting date.

b) The fair value of Coupon only Swaps and Option contracts is determined using most frequently applied valuation techniques using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and future rates and interest rate curves of the underlying as at the balance sheet date.

C. Financial Risk Management

The different types of risks the Company is exposed to are market risk, credit risk and liquidity risk. The Company takes measures to judiciously mitigate the above mentioned risks.

i) Market Risk

a) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The Company uses derivative financial instruments such as Option and Coupon only Swaps contracts to minimise any adverse effect on its financial performance. All such activities are undertaken within an approved risk management policy framework.

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period.

(₹ in Million)

Particulars	Foreign Currency Exposure	
	As at March 31, 2022	As at March 31, 2021
USD		
Other Financial Liabilities - Derivatives - Call Options	938	-
Other Financial Liabilities - Derivatives - Coupon only Swaps	129	-
Borrowings - Senior Secured Notes	37,879	-
Net Exposure	**38,946**	-

The following table details the Company's sensitivity to a 1% increase and decrease against the relevant foreign currency. 1% represents management's assessment of a reasonably possible change in foreign exchange rate.

(₹ in Million)

Particulars	Foreign Currency Sensitivity	
	As at March 31, 2022	As at March 31, 2021
1% Depreciation in ₹	**(389)**	-
Impact on Other Comprehensive Income	(11)	-
Impact on Profit and Loss	(379)	-
1% Appreciation in ₹	**389**	-
Impact on Other Comprehensive Income	11	-
Impact on Profit and Loss	379	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

b) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations.

The exposure of the Company's borrowings at the end of the reporting period are as follows:

(₹ in Million)

Particulars	Interest Rate Exposure	
	March 31, 2022	March 31, 2021
Borrowings		
Non-Current - Floating (Includes Current Maturities)*	1,49,905	1,81,725
Total	**1,49,905**	**1,81,725**

*Includes ₹1,638 million (March 31, 2021: 1,750 million) as prepaid finance charges and ₹ 12,000 million (March 31, 2021 ₹7,000 million) pertaining to term loan with a fixed interest rate for initial 3 years.

Note: The above table excludes net borrowings of ₹ 318,610 million (previous year - ₹ 250,126 million) having fixed rate of interest as the Company is not exposed to any interest rate risk on such borrowings.

Fair value sensitivity analysis for fixed-rate borrowings:

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The following table details the Company's sensitivity analysis to 1% (floating rate borrowings) change in Interest rate. 1% represents management's assessment of a reasonably possible change in foreign exchange rate.

(₹ in Million)

Particulars	Interest Rate Sensitivity as at			
	March 31, 2022		March 31, 2021	
	Up Move	Down Move	Up Move	Down Move
Total Impact	(1,499)	1,499	(1,817)	1,817
Impact on Other Comprehensive Income	-	-	-	-
Impact on Profit and Loss	(1,499)	1,499	(1,817)	1,817

ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to meet its contractual obligations causing financial loss to the Company. Credit risk arises from Company's receivables, deposits given, investments made and balances at bank.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed by continuously monitoring the credit worthiness of customers.

iii) Liquidity Risk

Liquidity risk arises from the Company's inability to settle or meet its cash flow commitments on the due date. The Company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2022

(₹ in Million)

Particulars	0-1 Years	1-3 Years	3-5 Years	Above 5 years	Total
Trade payable (refer note 18)	2,999	-	-	-	**2,999**
Creditors for capital expenditure	311	-	-	-	**311**
Lease liabilities	46	96	55	45	**242**
Other non current financial liabilities	-	463	-	11,216	**11,679**
Other current financial liabilities	22,542	-	-	-	**22,542**
Borrowings* (refer note 15 and 17)	7,316	29,787	44,796	3,86,616	**4,68,515**
Total	**33,214**	**30,346**	**44,851**	**3,97,877**	**5,06,288**

*Includes ₹2,543 million as prepaid finance charges.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2021

(₹ in Million)

Particulars	0-1 Years	1-3 Years	3-5 Years	Above 5 years	Total
Trade payable (refer note 18)	1,945	-	-	-	**1,945**
Creditors for capital expenditure	-	-	-	-	**-**
Lease liabilities	26	55	45	-	**126**
Other current financial liabilities	14,708	-	-	-	**14,708**
Borrowings* (refer note 15 and 17)	-	27,025	61,325	3,43,501	**4,31,851**
Total	**16,679**	**27,080**	**61,370**	**3,43,501**	**4,48,630**

*Includes ₹1,750 million as prepaid finance charges.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

35 a) Disclosure of effects of hedge accounting on financial position -

The impact of the hedging instruments on the financial position as on March 31, 2022 is as follows:

(There were no Derivative instruments for the year ended March 31, 2021)

(₹ in Million)

Type of hedge and risks	Nominal value - Assets / (Liabilities) ₹ in Million	Carrying amount of hedging instrument - Assets / (Liabilities) ₹ in Million	Maturity date	Hedge ratio	Weighted average strike rate for out-standing hedging instruments	Change in the fair value of hedging instru-ment used to determine hedge ineffec-tiveness	Line item in the balance sheet that includes the hedging instrument
Cash flow hedge							
(i) Foreign currency options (excluding premium payable)	5,333	182	08-Aug-31	1:1	USD 1 : ₹ 111	-	Other financial liabilities
(ii) Coupon only swaps	(4,655)	(129)	12-Aug-26	1:1	USD 1 : ₹ 85	129	Other financial liabilities
Fair value hedge							
(i) Foreign currency options (excluding premium payable)	37,101	1,657	08-Aug-31	1:1	USD 1 : ₹ 125	-	Other financial liabilities

The impact of hedged items on the financial position as on March 31, 2022 is as follows:

(₹ in Million)

Type of hedge and risks	Carrying amount of hedged item		Cash flow hedge reserve	Cost of hedging reserve	Change in the value of hedged item used to determine hedge ineffectiveness	Line item in the balance sheet that includes the hedged item
	Assets	Liabilities				
Cash flow hedge						
(i) Foreign currency options	NA	NA	-	142	-	
(ii) Coupon only swaps	NA	NA	113	-	127	
Fair value hedge						
(i) Foreign currency options		37,879	-	677	-	Non current Borrowings

(b) Disclosure of effects of hedge accounting on financial performance for the year ended March 31, 2022

(₹ in Million)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Change in fair value of hedging instrument recognised in cost of hedging reserve (OCI)	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification	Line item in the profit and loss that includes the recognised hedge ineffectiveness
Cash flow hedge							
(i) Foreign exchange risk	205	142	(2)	(92)	-	Finance Cost	Other expense
Fair value hedge							
(i) Foreign exchange risk		835	-	-	(158)	Finance Cost	NA

The Company has undertaken USD/₹ call options with various counterparties to hedge the currency risk in respect of its USD foreign currency borrowing and future foreign currency interest payments. The principal repayment of this borrowing is considered in a fair value hedge relationship and future interest payments is considered in a cashflow hedge relationship. The hedged items creates variability of fair values and cash flows arising from the future changes in USD exchange rates. An appreciation in USD in the future would put the Company at a risk of making higher ₹ payments (both future interest payments and repayment of loan at the end of the tenure). The call option undertaken mitigates the underlying risk by fixing the price at which the Company will buy USD, without giving up the upside of benefitting from an appreciation in ₹ vis-a-vis USD (one-sided risk). As the hedged exposure is exactly matched by the USD leg of the option (that is, they both have the same USD notional amounts and the same tenure), an economic relationship exists.

Hedge effectiveness is assessed at inception of the hedge, at each reporting date and upon a significant change in the circumstances affecting the hedge effectiveness requirements to ensure that an economic relationship exists between the hedged item and hedging instrument. In respect of hedge using USD/₹ call options, the following potential sources of ineffectiveness are identified:

- A change in the credit risk of Company or the counterparty to the option contract;
- Changes in the contractual terms or timing of the payments on the hedged items.

There was no recognised ineffectiveness during financial year ended March 31, 2022 in relation to the USD/₹ call option contracts.

The Company has also undertaken USD/₹ Coupon Only Swap with various counterparties to hedge the currency risk in respect of its future interest payments on USD foreign currency borrowing. As per 'the cash flow hedge on foreign currency exposure policy', critical terms shall be applied to assess qualitatively the economic relationship between the hedging instrument and the hedged item. The hedged item creates an exposure to settle foreign currency denominated interest amounts in local currency terms. As the hedged exposure is exactly matched by the USD leg of the swap (that is, they both have the same USD amounts) and similar payment dates, an economic relationship exists.

Hedge ineffectiveness for USD/₹ coupon only swaps is assessed using the same principles as for hedges of foreign currency repayment of borrowings and future foreign currency interest using USD/₹ European options contract. It may occur due to:

- The fair value of the hedging instrument on the hedge relationship designation date (if not zero);

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- changes in the contractual terms or timing of the payments on the hedged item; and
- A change in the credit risk of Company or the counterparty to the coupon only swap.

The ineffectiveness recognised during financial year ended March 31, 2022 was ₹ 2 million (March 31, 2021: ₹ Nil) in relation to the coupon only swaps.

To comply with the risk management policy, the hedge ratio is based on a hedging instrument with the same notional amount as the underlying exposure. This results in a hedge ratio of 1:1 or 100%.

Movements in cash flow hedging reserve and costs of hedging reserve -

(₹ in Million)

Risk category	Foreign currency risk		Total
Derivative instruments	**Foreign currency options**	**Coupon only swaps**	
(i) Cash flow hedging reserve			
As at April 1, 2021	**-**	**-**	**-**
Add: Changes in fair value of coupon only swaps	**-**	205	205
Less: Amounts reclassified to Statement of Profit or Loss	**-**	(92)	(92)
As at March 31, 2022	**-**	**113**	**113**
(ii) Costs of hedging reserve			
As at April 1, 2021	**-**	**-**	-
Add: Deferred time value of foreign currency option contracts	976	-	976
Less: Amounts reclassified to Statement of Profit or Loss	(158)	-	(158)
As at March 31, 2022	**818**	**-**	**818**

(c) The following tables detail various information regarding option contracts and coupon only swap contracts outstanding at the end of the reporting period:

(₹ in Million)

Particulars	Maturity				
	Less than 1 year	**1 to 2 years**	**2 to 5 years**	**5 years +**	**Total**
As at March 31, 2022					
Foreign currency options					
- Notional amounts	-	-	533	41,901	42,434
- Average strike price	-	-	97	123	NA
Coupon only swap					
- Notional amounts	1,067	2,134	1,454	-	4,655
- Average strike price	-	-	85	-	NA

Financial risk management objectives and policies-

The Company's risk management is predominantly controlled by a treasury department under policies approved by the Board of directors. Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in reducing the foreign currency risk in respect of its foreign currency borrowings including future foreign currency interest payments to an acceptable level.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The Company has issued 2.875 basis point semi-annual USD 500 million 10-year Senior Secured Notes. This exposes the Company to foreign exchange risk arising from variability in the foreign exchange rates, thereby increasing the Profit and loss volatility. As per the risk management policy of the Company, the Company has entered into USD/₹ call option contracts for principal bullet repayment at the end of loan tenure along with multiple call option strip of coupon repayment from February 2027 to August 2031. The Company has also entered into Coupon only swaps to eliminate the foreign exchange risk on payment of semi-annual coupon in USD on every coupon date from February 2022 to August 2026.

36 SEGMENT REPORTING

The Company is primarily engaged in setting up, operating and maintaining passive tower infrastructure and related assets and providing passive tower infrastructure related services. Accordingly, Company has the single segment as per the requirements of Ind AS 108 - Operating Segments. All assets are located in India and revenue of the Company is earned in India hence, there is single geographic segment. Substantially all of the revenues of the Company are from a single customer.

37 PAYMENT TO AUDITORS

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	9	8
Tax audit fee	1	1
Certification and other audit services	9	2
Total	**19**	**11**

38 REVENUE FROM CONTRACTS WITH CUSTOMERS

A. The Company has recognised following amounts relating to revenue in the Statement of Profit and Loss:

Revenue by nature:

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Infrastructure provisioning fees (Including reimbursement of power and fuel and site rent)	97,651	82,442

Note: The Company derives its revenue from the transfer of services over time.

The Company has entered into a 30 year master service agreement with one of its customer pursuant to which the Company provides the passive infrastructure and related services. Revenue related to the same will be accrued as services are provided.

B. Reconciliation of revenue recognised:

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	97,651	83,712
Less: Discounts to customers	-	(1,270)
Net Revenue recognised	**97,651**	**82,442**

C. Transaction price allocated to unsatisfied performance obligations as at March 31, 2022 - Nil (March 31, 2021 – ₹ Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

D. Contract balances

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled Receivables	4,311	4,522

39 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company is engaged in the business of providing tower infrastructure and related operations in India. The Company has executed a long term MSA with RJIL (one of the largest telecommunication service provider in India) as its customer, which results into committed revenues and cash flows for the Company, on a long term basis. Moreover, the COVID-19 pandemic has not had a material adverse impact on the operations of the telecommunication industry to which the Company currently caters to. Also, the Company has completed substantial portion of its planned capital expenditure and for the balance as well as for the operations and maintenance of the tower sites, the Company has in place long-term arrangements with experienced contractors/service providers. Further, the Company has sanctioned unutilised borrowing limits which are available to the Company to meet its liquidity requirements. In view of all of the above, the Company does not expect any significant challenges on going concern, including emanating out of COVID-19, particularly in the next 12 months.

40 There are no subsequent events that require adjustment or disclosure in the financial statements as on the Balance Sheet date.

41 COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company at their meeting held on January 2, 2019 approved a composite scheme of arrangement (herein after referred to as "the scheme") between RJIL, Jio Digital Fibre Private Limited (JDFPL) and the Company and their respective shareholders and creditors, inter-alia for purchase of the Tower Infrastructure undertaking (Transferred undertaking) of RJIL for a lumpsum consideration, with effect from the appointed date March 31, 2019. Consequent to the scheme, the Company is in the process of transferring the Freehold Land with carrying value aggregating ₹ 120 million and land reflected in Right of Use Assets with carrying value aggregating ₹ 185 million in its name.

42 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

I Key Financial Ratios & analysis

Sr. No	Ratio	Numerator	Denominator	As on March 31, 2022	As on March 31, 2021	% Change	Reason for variance
i)	**Current Ratio**	Current Assets	Current Liabilities	0.41	1.22	-66%	Refer note (i)
ii)	**Debt Equity Ratio**	Total Debt including lease liabilities	Shareholder's Equity	-	-	-	Refer note (ii)
iii)	**Debt Service Coverage Ratio**	Earnings available for Debt service	Debt Service	0.64	0.89	-28%	Refer note (iii)
		Earning for Debt Service = Net Profit after taxes + depreciation and other amortisations + Finance cost. Debt service = Interest & Lease Payments + Principal Repayments. Principal repayments excludes repayments in nature of refinancing as these are not repaid out of the profits for the year.					
iv)	**Return on Equity**	Net Losses after taxes	Average Shareholders Equity	(49%)	(68%)	(28%)	Refer note (iv)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Sr. No	Ratio	Numerator	Denominator	As on March 31, 2022	As on March 31, 2021	% Change	Reason for variance
v)	**Inventory Turnover**	Cost of Goods Sold	Average Inventory	NA	NA	NA	
vi)	**Trade receivable Turnover (in days)**	Net Credit Sales (Gross Credit Sales - Sale Returns)	Average Trade Receivables	0.94	1.48	(37%)	Refer note (v)
vii)	**Trade payable Turnover (in days)**	Purchases of services and other expenses	Average Trade Payables	0.07	0.06	20%	
viii)	**Net Capital Turnover**	Net Sales (Total Sales - Sale Return)	Working Capital (Current Assets - Current Liabilities)	(4.44)	17.57	(125%)	Refer note (i)
ix)	**Net Profit**	Net Profit	Net Sales	(34%)	(28%)	19%	
x)	**Return on capital employed**	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt)	6%	3%	96%	Refer note (vi)
xi)	**Return on Investment**	Income generated on investments	Average investments	4%	3%	40%	Refer note (vii)

Notes:

(i) The ratio decreased during the year mainly on account of current maturities of non current borrowing for instalments due during the next year and increase in interest accrued as on the reporting date.

(ii) As the ratio is less than zero, it is shown as NIL.

(iii) The change is on account of higher interest expense during the current year.

(iv) The change is on account of higher losses during the current year.

(v) The change is on account of better collection of the increased revenue recorded during the current year.

(vi) The change is on account of higher borrowings and increased losses as on the reporting date.

(vii) The investments purchased in the previous year were held for a shorter term and sold off in the same year resulting into lower returns in the previous year.

II The Company does not have any benami properties. There are no proceedings initiated or pending against the Company for holding Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules thereunder.

III The Company is not declared as a 'wilful defaulter' by any bank or financial institution or other lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period till the date of approval of the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

IV Relationship with struck off companies - The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 other than those disclosed below -

(₹ in Million)

Name of the struck off Company	Nature of transactions with struck off Company	Transactions amount for the year ended March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with the struck off Company	Transactions amount for the year ended March 31, 2021	Balance outstanding as at March 31, 2021	Relationship with the struck off Company
Punia Constructions Private Limited	Payables	0	0	Not a related party	0	0	Not a related party
Paresh Buildcon Private Limited	Payables	0	0	Not a related party	0	0	Not a related party
Jay Mataji Constructions Private Limited	Payables	0	0	Not a related party	0	0	Not a related party
Pratibha Agrochem & Engg Private Limited	Payables	0	-	Not a related party	0	0	Not a related party
Allied Builders Private Limited	Deposit Receivable	-	0	Not a related party	0	0	Not a related party
R D Promoters Private Limited	Payables	0	-	Not a related party	0	-	Not a related party
Patel Properties Private Limited	Payables	1	-	Not a related party	1	-	Not a related party
Jadhao Engineering Company Private Limited	Payables	0	-	Not a related party	-	-	Not a related party

V The Company does not have any transactions recorded in the books of account that has been surrendered or disclosed as income during the year in the assessments under Income Tax Act, 1961.

VI The Company has not traded or invested in crypto currency or virtual currency.

VII Valuation of Property Plant & Equipment - The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

VIII There are no charges or satisfaction yet to be registered with the Registrar of Companies (ROC).

IX Utilisation of borrowings availed from banks and financial institutions - The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

X The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entity(ies) (intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

XI The Company has not received any fund from any other person(s) or entity(ies), including foreign entity(ies) (funding party) with the understanding (whether recorded in writing or otherwise) that the funding party shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries),

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

XII The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

XIII The Company does not have any obligation towards Corporate Social Responsibility (CSR) since it was incurring losses in immediately preceding three financial years.

43 "0" represents the amount below the denomination threshold.

44 Previous year figures are regrouped wherever necessary to correspond with the current year classification/ disclosure.

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 23, 2022.

For and on behalf of the Board of Directors of
Summit Digitel Infrastructure Private Limited
formerly known as Reliance Jio Infratel Private Limited)

Mihir Nerurkar
Chairperson of the Board
DIN:02038842

Date: May 23, 2022
Place: Mumbai

Dhananjay Joshi
Managing Director and Chief Executive Officer
DIN: 09096270

Date: May 23, 2022
Place: Mumbai

Dinesh Jain
Chief Financial Officer
PAN: AAAPJ4850F

Date: May 23, 2022
Place: Mumbai

Chandra Kant Sharma
Company Secretary
Membership No: F8322
PAN: BSDPS2436J

Date: May 23, 2022
Place: Mumbai