

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) “QUALIFIED INSTITUTIONAL INVESTORS UNDER RULE 144A (AS DEFINED BELOW) OR (2) OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”).

IMPORTANT: You must read this disclaimer before continuing. This disclaimer applies to the attached offering memorandum (the “**Offering Memorandum**”) following this page. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Memorandum. In accessing the attached Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: By accepting and accessing the attached Offering Memorandum you are deemed to have represented to Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., BNP Paribas, Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Merrill Lynch (Singapore) Pte. Ltd. (together, the “**Joint Bookrunners**”) that (1) (i) you are not in the United States as defined in Regulation S and, to the extent you will purchase the securities described in the attached Offering Memorandum, you will be doing in an “offshore transaction” as defined in, and pursuant to, Regulation S or (ii) you are acting on behalf of, or you are, a “qualified institutional buyer” (“**QIB**”), as defined in Rule 144A under the Securities Act, and (2) you consent to the delivery of the attached Offering Memorandum and any amendments or supplements thereto by electronic transmission.

The attached Offering Memorandum has been made available to you in electronic form. You are reminded that documents may be altered when transmitted electronically and consequently none of Summit Digitel Infrastructure Private Limited (the “**Issuer**”) or the Joint Bookrunners or any of their respective directors, employees, representatives, affiliates or agents accept any liability or responsibility whatsoever in respect of any discrepancies between the Offering Memorandum distributed to you electronically and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The attached Offering Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein. The information in the attached Offering Memorandum is not complete and may be changed.

THE SECURITIES DESCRIBED THEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Bookrunner or any affiliate of any Joint Bookrunner is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Joint Bookrunner or affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Memorandum on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this electronic transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that you may not take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

You may not forward or deliver the attached Offering Memorandum, electronically or otherwise, to any other person or reproduce it in any manner whatsoever. Any forwarding, distribution or reproduction of the attached Offering Memorandum, in whole or in part, is unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the securities laws of other jurisdictions.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



Summit Digital Infrastructure Private Limited

(incorporated with limited liability in the Republic of India under the Companies Act)

U.S.\$500,000,000 2.875% Senior Secured Notes due 2031

Issue Price: 98.459%

The U.S.\$500,000,000 2.875% Senior Secured Notes due 2031 (the “Notes”) will be issued by Summit Digital Infrastructure Private Limited (the “Issuer”) on August 12, 2021 (the “Closing Date”).

The Notes will bear interest at the rate of 2.875% per annum of the outstanding principal amount of the Notes, payable semi-annually in arrears on the interest payment dates falling on February 12 and August 12 of each year, commencing on February 12, 2022. Payments on the Notes will be made without withholding or deduction for or on account of taxes, duties, assessments or government charges of India to the extent described under the terms and conditions of the Notes (the “Conditions”). See “*Terms and Conditions of the Notes — Taxation*”.

Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed on August 12, 2031 (the “Maturity Date”) at their principal amount, together with accrued but unpaid interest (if any). The Notes may be redeemed at the option of the Issuer in whole or in part at their principal amount (together with interest accrued to but excluding the date fixed for redemption) if the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Conditions) in the event of certain changes relating to taxation in India. Subject to the receipt of any required regulatory approval, the Issuer will, at the option of the Noteholders (as defined in the Conditions), redeem any outstanding Notes upon the occurrence of a Change of Control Triggering Event (as defined in the Conditions), at 101% of their principal amount together with interest accrued to but excluding the date fixed for redemption. At any time, the Notes may be redeemed at the option of the Issuer, in whole or in part, on giving not less than 10 days nor more than 60 days’ written notice to the Noteholders at their principal amount plus the Applicable Premium applicable to the Notes (as defined in the Conditions) (together with any unpaid interest accrued to the date fixed for redemption); provided that no Applicable Premium will be payable if the Notes are redeemed on or after August 12, 2030 (being the date which is 12 months prior to the Maturity Date). At any time prior to August 12, 2030, the Issuer may redeem up to 40% of the aggregate principal amount of the Notes with proceeds from certain 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.

The Issuer’s payment obligations under the Notes and the performance of its other obligations under the Notes and the Trust Deed will be secured within 90 Business Days of the Closing Date by a first ranking pari passu charge on (a) all moveable fixed assets (present and future) of the Issuer; (b) all current assets (present and future) of the Issuer including the receivables and rights appurtenant thereto; (c) all rights of the Issuer under the Material Documents; and (d) all rights of the Issuer in the Receivables, in each case pursuant to the Security Documents (as each defined in the Conditions). The Liens on the Collateral may be released if the ratio of Secured Indebtedness to Total Indebtedness is less than 33%.

Application will be submitted to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation for the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies or the Notes.

The Notes will be issued in registered form in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The payment obligations of the Issuer under the Notes will (subject to certain conditions) rank (i) at least equally with all other senior secured obligations of the Issuer, present and future and (ii) senior in respect of all other unsecured or subordinated obligations of the Issuer, present and future. The Notes will rank at all times pari passu without any preference among themselves.

See “Risk Factors” beginning on page 15 for a discussion of certain risks that you should consider in connection with an investment in any of the Notes.

The Notes are assigned a rating of BBB- (with Stable outlook) by S&P Global Ratings and BBB- (with Negative outlook) by Fitch Ratings. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes. See “*Risk Factors — Risks Relating to the Notes — The ratings and outlook of the Notes and us may be downgraded or withdrawn.*”

It is expected that the delivery of the Notes will be made through the facilities of The Depository Trust Company (“DTC”) on or about the Closing Date. The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “Securities Act”) or the securities laws of any other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold within the United States to qualified institutional buyers (“QIBs”) in reliance on Rule 144A under the Securities Act and outside the United States in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

This Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India or any other regulatory authority, in accordance with the Companies Act and other applicable laws in India for the time being in force. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India or Indian stock exchange. This Offering Memorandum is not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India. The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India.

This Offering Memorandum is an advertisement and is not a prospectus for the purpose of EU Directive 2003/71/EC.

**Joint Global Coordinators and
Joint Bookrunners**

Joint Bookrunners

Barclays

Citigroup

**BofA
Securities**

**BNP
PARIBAS**

**Deutsche
Bank**

HSBC

Offering Memorandum dated August 4, 2021

NOTICE TO INVESTORS

This Offering Memorandum is not an offer to sell the Notes and we are not soliciting an offer to buy the Notes in any jurisdiction in which the offer or sale is prohibited. Neither the delivery of this Offering Memorandum nor any sale made under the terms described herein shall imply that the information herein is correct as of any date after the date hereof.

We prepared this Offering Memorandum solely for use in connection with this offering. In accepting this Offering Memorandum, you have agreed that this Offering Memorandum is highly confidential and that you will hold the information contained or referred to herein in confidence. We and Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., BNP Paribas, Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Merrill Lynch (Singapore) Pte. Ltd. (together, the “**Joint Bookrunners**”) reserve the right to reject any offer to purchase any of the Notes for any reason, or to sell less than the principal amount of the Notes for which any prospective purchaser has subscribed. This Offering Memorandum is personal to each offeree and is not an offer to any other person or to the public generally to subscribe for the Notes. You represent that you are basing your investment decision solely on this Offering Memorandum and your own examination of us and the terms of this offering. You cannot distribute this Offering Memorandum, or the information contained in it, by electronic or other means, to any person other than your professional advisor without our prior written consent. You cannot make any photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

By receiving this Offering Memorandum and by purchasing the Notes, you acknowledge that (1) you have not relied on the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent, the Security Trustee or any person affiliated with the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee, in connection with investigating the accuracy of such information or your investment decision, and (2) no person has been authorized to give information or to make any representation concerning us or the Notes other than as contained in this Offering Memorandum and information given by our duly authorized officers and employees in connection with your examination of us and the terms of this offering. You cannot rely on any such other information or representation.

Neither the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor the Security Trustee makes any representation or warranty, express or implied, concerning the accuracy or completeness of the information in this Offering Memorandum, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation, from the Joint Bookrunners, Trustee, the Principal Paying Agent, Registrar, Transfer Agent or the Security Trustee whether as to the past or the future. To the fullest extent permitted by law, none of the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee accept any responsibility for the contents of this Offering Memorandum or for any statement made or purported to be made by the Joint Bookrunners, Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee, or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent and the Security Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Memorandum or any such statement.

We cannot give you any assurance and you should not assume that the information contained in this Offering Memorandum is accurate or complete after the date appearing on the cover page. Our business, financial condition, results of operations and prospects may have changed since that date.

The contents of this Offering Memorandum do not constitute legal, business or tax advice, and neither we, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor the Security Trustee are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should consult your own attorney, business advisor and tax advisor as to legal, business or tax advice related to a purchase of the Notes.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of the Company, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee shall have any responsibility for any of the foregoing legal requirements.

The Notes are being offered and sold outside the United States in reliance on Regulation S and within the United States to qualified institutional buyers in reliance on Rule 144A. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. You may be required to bear the financial risk of an investment in the Notes for an indefinite period. None of the Company, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. None of the Company, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee is making any representation to you that the Notes are a legal investment for you.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Company, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee shall have any responsibility therefor.

Neither the U.S. Securities and Exchange Commission (the “SEC”), any U.S. state securities commission nor any non-U.S. securities authority nor other authority has approved or disapproved of the Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

In accordance with applicable provisions of Indian regulations, the Notes cannot be offered or sold (including by way of security) to any person who is from a Restricted Jurisdiction, or is a Restricted Overseas Person.

The Offering Memorandum has not been and will not be registered, produced or made available as an offer document whether as a prospectus or a statement in lieu of prospectus in respect of a public offer or an information memorandum or private placement offer cum application letter or any other offering material in respect of any private placement under the Companies Act, as amended from time to time, or any other applicable Indian laws with the Registrar of Companies in India, the Securities and Exchange Board of India, the Reserve Bank of India, any stock exchange in India or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Offering Memorandum which is mandatorily required to be disclosed or filed in India under any applicable Indian laws. The Offering Memorandum or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws for the time being in force.

The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including in the “*Clearance and Settlement*” is subject to a change in or reinterpretation

of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear or Clearstream, we accept no further responsibility in respect of such information.

IN CONNECTION WITH THIS OFFERING, BARCLAYS BANK PLC, SINGAPORE BRANCH (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL OTHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, NO ASSURANCE CAN BE GIVEN THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THIS OFFERING IS MADE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ORIGINAL ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE “PLAN OF DISTRIBUTION”.

EU MiFID II PRODUCT GOVERNANCE: Solely for the purposes of a manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE: Solely for the purposes of a manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”), subject to amendments made by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (SI 2018/1403) (as may be amended or superseded from time to time, “**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

EU PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any EEA Retail Investor in the European Economic Area (“**EEA**”). For these purposes, an “EEA Retail Investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to EEA Retail Investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any EEA Retail Investor in the EEA may be unlawful under the EU PRIIPs Regulation.

UK PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any UK Retail Investor in the United Kingdom (“**UK**”). For these purposes, a “UK Retail Investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of UK domestic law by virtue of the EUWA, subject to amendments made by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (SI

2018/1403) (as may be amended or superseded from time to time); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA, subject to amendments made by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (SI 2018/1403) (as may be amended or superseded from time to time). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA, subject to amendments made by the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (SI 2019/403) (as may be amended or superseded from time to time (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to UK Retail Investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any UK Retail Investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Offering Memorandum has not been approved by an authorized person in the United Kingdom. The Notes may not be offered or sold other than to persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by us. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Defined Terms and Conventions

In this Offering Memorandum, unless otherwise specified or the context provides otherwise, references to “Issuer”, “Company”, “we”, “us” and “our” are to Summit Digitel Infrastructure Private Limited (previously known as Reliance Jio Infratel Private Limited).

In this Offering Memorandum, references to a particular “financial year” and “FY” are to the year ended March 31 of such year.

In this Offering Memorandum, references to “U.S.” or “United States” are to the United States of America, its territories and its possessions and references to “India” are to the Republic of India.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to “\$”, “U.S.\$” or “U.S. Dollar” are to United States dollars and references to “₹”, “Rs.”, “INR”, “Rupee”, or “Indian Rupee” are to the legal currency of India.

References to “crores” in this Offering Memorandum are to the following:

| | |
|--------------------|---|
| One lakh | 100,000 (one hundred thousand) |
| One crore | 10,000,000 (ten million) |
| Ten crores | 100,000,000 (one hundred million) |
| One hundred crores | 1,000,000,000 (one thousand million or one billion) |

Rounding adjustments have been made in calculating some of the financial information included in this Offering Memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Definitions and Abbreviations

Aside from the terms described above, this Offering Memorandum uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein.

| Term | Description |
|-------------------------|--|
| ABC Policy | Anti-bribery and Corruption Policy |
| Anti-Corruption Laws | Collectively, the Prevention of Corruption Act, 1988, the Benami Transactions (Prohibition) Act, 1988, the Prevention of Money Laundering Act, 2002, the United States Foreign Corrupt Practices Act of 1977, and the United Kingdom Bribery Act of 2010, in each case as amended from time to time, including rules, regulations or guidelines, issued by the government entities in relevant jurisdictions |
| AoA | Articles of Association |
| CAN | Confirmation of Allocation Note |
| CCI | Competition Commission of India |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Companies Act | Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder |
| Competition Act | Competition Act, 2002 |
| Consolidated FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020, effective from October 15, 2020 |

| Term | Description |
|---|---|
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 |
| Depositories Act | Depositories Act, 1996 |
| Depository Participant | A depository participant as defined under the Depositories Act |
| DIN | Director Identification Number |
| DoT | Department of Telecommunications, Government of India |
| ECR | Energy Consumption Rating |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year or Fiscal Year or Fiscal | Period of 12 months ended March 31 of that particular year, unless otherwise stated |
| GAAR | General Anti-Avoidance Rules |
| GoI or Government | Government of India |
| GSM | Global System for Mobile communication |
| GST | Goods and Services Tax |
| HSE Policy | Health, Safety and Environment Policy |
| ICAI | Institute of Chartered Accountants of India |
| Ind-AS | Companies (Indian Accounting Standards) Rules, 2015 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Indian GAAS | Generally Accepted Auditing Standards in India |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IT Act | The Income Tax Act, 1961 |
| JIMSL | Jio Infrastructure Management Services Limited |
| Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| Master Services Agreement | The Amended and Restated Master Services Agreement dated December 16, 2019 entered into between the Company, RJIL and RPPMSL, together with the amendment to the master services agreement dated August 26, 2020, as further amended from time to time. |
| MCA | Ministry of Corporate Affairs |
| MoA | Memorandum of Association |
| MoEF | Ministry of Environment, Forest and Climate Change |
| O&M Agreement | The Operation and Maintenance Agreement dated April 15, 2019 (as amended and restated on December 16, 2019) entered into between the Company, JIMSL and RPPMSL, as amended from time to time |
| NACH | National Automated Clearing House |
| NASD | National Association of Securities Dealers |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Funds Transfer |
| Notified Sections | The sections of the Companies Act that were notified by the Ministry of Corporate Affairs, Government of India |
| NSDL | National Securities Depository Limited |

| Term | Description |
|-------------------------------|---|
| NSE | The National Stock Exchange of India Limited |
| PAN | Permanent Account Number |
| Project Execution Agreement | The Amended and Restated Project Execution Agreement for establishment of passive tower infrastructure dated December 16, 2019 entered into between the Company, JIMSL, RJIL and RPPMSL, together with the amendment to the project execution agreement dated August 26, 2020, as further amended from time to time |
| RBI | Reserve Bank of India |
| Regulation S | Regulation S under the Securities Act |
| RoC | Registrar of Companies |
| RJIL or RJio | Reliance Jio Infocomm Limited |
| RPPMSL | Reliance Projects & Property Management Services Limited (formerly known as, Reliance Digital Platform & Project Services Limited) |
| Rs./Rupees/INR/₹ | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| Securities Act | U.S. Securities Act of 1933, as amended |
| Securities Exchange Act | U.S. Securities Exchange Act of 1934, as amended |
| Tower Agreements | Collectively, the Master Services Agreement, the O&M Agreement, the Project Execution Agreement and the Transition Services Agreement |
| Transition Services Agreement | The Transition Services Agreement dated August 26, 2020 entered into between the Company and RPPMSL, as amended from time to time |
| TRAI | Telecom Regulatory Authority of India |
| U.S./USA/United States | United States of America |
| USD/US\$ | United States Dollars |

Notwithstanding the definitions set out above, the defined terms in our financial statements shall have the meanings given to such terms therein.

Presentation of Financial Information

Our financial year ends on March 31. Accordingly, references in this Offering Memorandum to a particular financial year are to the year ended March 31 of that year. References to a year other than a “financial year” are to the calendar year ended December 31 of that year.

This Offering Memorandum includes our audited financial statements as of and for the financial years ended March 31, 2020 and 2021. This Offering Memorandum does not include our audited financial statements as of and for the financial year ended March 31, 2019, as our tower infrastructure business was transferred from RJIL to us by way of a slump sale on a going concern basis with effect from close of business hours on March 31, 2019, and as such, we had no meaningful financial results for the financial year ended March 31, 2019. Our audited financial statements as of and for the financial years ended March 31, 2020 and 2021 have been prepared in accordance with Indian Accounting Standards (“**Ind-AS**”) notified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other accounting principles generally accepted in India and are presented in Rupees.

Our audited financial statements as of and for the financial years ended March 31, 2020 and 2021 have been jointly audited by Deloitte Haskins & Sells Chartered Accountants LLP (previously known as Deloitte Haskins & Sells) and Pathak H. D. & Associates LLP, Chartered Accountants. Pathak H. D. & Associates LLP has audited our audited financial statements for the financial year 2019.

Certain financial information in this Offering Memorandum has been rounded for convenience and, as a result, the totals of the data presented in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information.

Ind-AS differs in certain significant respects from International Financial Reporting Standards (“IFRS”) and, accordingly, the degree to which the financial statements prepared in accordance with Ind-AS included in this Offering Circular will provide meaningful information is entirely dependent on the reader’s familiarity with the respective accounting policies. For a description of certain significant differences between Ind-AS and IFRS, see “*Summary of Significant Differences between IFRS and Ind-AS*”.

Non-GAAP Financial Measures

This Offering Memorandum contains EBITDA and certain other non-Ind-AS measures and ratios, including EBITDA margin, that are not required by, or presented in accordance with, SEC requirements, Ind-AS or the accounting standards of any other jurisdiction. The Group presents EBITDA and certain non-Ind-AS measures for the Group because management uses them in measuring operating performance, in presentations to the Group’s directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of the Group’s operating cash flow and liquidity. The Group also believes that EBITDA and certain non-Ind-AS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

The Group calculates EBITDA by adding net income, interest expenses, finance costs, taxes, depreciation expenses, and amortizations expenses. The Group calculates EBITDA Margin as EBITDA divided by total income.

EBITDA and non-Ind-AS measures should not be considered in isolation and are not measures of the financial performance or liquidity of the Group under Ind-AS and should not be considered as an alternative to operating profit or loss for the period or any other performance measures derived in accordance with Ind-AS or as an alternative to cash flow from operating, investing or financing activities or any other measure of the Group’s liquidity derived in accordance with Ind-AS. EBITDA and non-Ind-AS measures of the Group do not necessarily indicate whether cash flow will be sufficient or available for cash requirements.

EBITDA and non-Ind-AS measures of the Group may not be comparable to other similarly titled measures of other companies. EBITDA and non-Ind-AS measures have limitations as analytical tools. Some of these limitations include the following: (i) they do not reflect the Group’s capital expenditures, their future requirements for capital expenditures or their contractual commitments; (ii) they do not reflect changes in, or cash requirements for, their working capital needs; (iii) they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on their debt; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced and they do not reflect any cash requirements that would be required for such replacements; and (v) other companies may calculate these measures differently from the way the Group does, limiting their usefulness as comparative measures.

Due to these limitations, none of the Group’s EBITDA or non-Ind-AS measures should be considered as measures of discretionary cash available to the Group to invest in the growth of their business or as measures of cash that will be available to them to meet their obligations. You should compensate for these limitations by relying primarily on the Ind-AS results of the Group, using these EBITDA and non-Ind-AS measures only to supplement your evaluation of their performance.

Exchange Rate Information

We publish our consolidated financial statements in Indian Rupee. Solely for convenience, this Offering Memorandum contains translations of certain Indian Rupee amounts into U.S. dollars at the exchange rate of Rs. 73.5047 per \$1.00, which was the closing exchange rate published by the Financial Benchmarks India Private Limited as of March 31, 2021. These translations should not be construed as representations that the Indian

Rupee amounts represent such U.S. dollar amounts or could be, or could have been, converted into U.S. dollars at the rates indicated or at all. The exchange rates presented in this Offering Memorandum for each period may have differed from the exchange rates used in the preparation of financial statements included elsewhere in this Offering Memorandum.

Market and Industry Data

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Offering Memorandum consists of estimates based on data reports compiled by professional organizations and analysts, data from other external sources and our knowledge of the markets in which we compete. The statistical information included in this Offering Memorandum relating to the industries in which we operate has been reproduced from various trade, industry and government publications and websites, including a report prepared by Capitel Partners (“**Capitel**”).

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analyses and estimates, so we rely on internally developed estimates. While we have compiled, extracted and reproduced this data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent, the Security Trustee or any of their respective affiliates have independently verified this data and neither we nor the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent, the Security Trustee or any of their respective representatives, agents, directors, officers, employees, advisers or affiliates make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent, the Security Trustee or any of their respective representatives, agents, directors, officers, employees, advisers or affiliates can assure potential investors as to their accuracy. Internal and third-party estimates and projections cited in this Offering Memorandum are subject to significant uncertainties that could cause actual data to differ materially from the estimated or projected figures. No assurances are or can be given that these figures will be achieved. As a result, you are cautioned against undue reliance on such information, which may not be indicative of future performance. The extent to which the market and industry data contained in this Offering Memorandum is meaningful depends on the investor’s familiarity with an understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “guideline”, “intend”, “may”, “objective”, “plan”, “potential”, “predict”, “project”, “pursue”, “shall”, “should”, “target”, “will”, “would”, or other words or phrases of similar import but these are not the exclusive means of identifying these statements.

All statements regarding our expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, growth plans and other matters discussed in this Offering Memorandum that are not historical facts. These forward-looking statements and any other projections contained in this Offering Memorandum (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include:

- the recent COVID-19 pandemic;
- our inability to obtain, maintain or renew licenses, consents or regulatory or governmental approvals that are critical to operating our business;
- our inability to maintain our customers;
- our inability to maintain our Towers;
- the ability of our vendors to satisfy their obligations under warranties and/or guarantees;
- our inability to finance our business or repay our borrowings;
- an increase in the cost of operating our Towers;
- natural and catastrophic events that may materially and adversely affect our business;
- our inability to insure against all potential risks and higher insurance premiums;
- the effects of current or future litigation or administrative proceedings;
- the depreciation of the Rupee against foreign currencies;
- changes in global economic, political and social conditions;
- adverse market conditions and other conditions that impair our assets;
- changes in environmental, health and safety laws and regulations; and
- our inability to attract and maintain our key personnel.

The forward-looking statements contained in this Offering Memorandum are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from those expressed or implied in these forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. The forward-looking statements speak only as at the date of this Offering Memorandum and none of us, the Joint Bookrunners, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor the Security Trustee or any person who controls us or any of them, or any of our or their directors, officers, employees, representatives, agents, affiliates or advisers, assume any responsibility to update or revise any of the forward-looking statements to reflect events or circumstances after the date of this Offering Memorandum.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a limited liability company incorporated under the laws of India. Most of its directors and key managerial personnel named herein reside in India and all of its assets and such directors and key managerial personnel are located in India. As a result, it may not be possible for investors outside India to effect service of process on the Issuer or such persons in jurisdictions outside of India, including the United States, or to enforce against such parties' judgments obtained in courts outside of India, including the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for on a statutory basis under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the “**Civil Code**”).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except where: (i) the judgment has not been pronounced by a court of competent jurisdiction; (ii) the judgment has not been given on the merits of the case; (iii) it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable; (iv) the proceedings in which the judgment was obtained were opposed to natural justice; (v) the judgment has been obtained by fraud; or (vi) the judgment sustains a claim founded on a breach of any law then in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of such section) in any country or territory outside India which the Government of India (the “**GoI**”) has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees, which are not amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalty, and does not apply to an arbitration award, even if such award is enforceable as a decree or judgment.

Under Section 14 of the Civil Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record and such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom, United Arab Emirates, Singapore, and Hong Kong (among others) has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment, subject to Section 13 of the Civil Code, and not by proceedings in execution. Such a suit to enforce a foreign judgment must be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced in India only by a fresh suit upon the foreign judgment and not by proceedings in execution.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act, 1999, as amended (“**FEMA**”), to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment and any such amount may be subject to income tax in accordance with applicable laws. Any judgment awarding damages in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment.

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SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum and does not contain all of the information that you should consider before investing in the Notes. You should read this entire document, including “Risk Factors” and the financial statements and related notes included elsewhere in this Offering Memorandum, before making an investment decision. This Offering Memorandum includes forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements” for more information.

Overview

We are one of the largest independent tower companies in India as measured by number of towers and revenue. We provide passive tower infrastructure services to telecommunication service providers (“TSPs”), with a pan-India portfolio of 138,086 operational towers as of March 31, 2021 (the “Towers”).

Our Towers consist of a network of ground-based towers (“GBT”), ground-based masts (“GBM”), roof-top towers (“RTT”), roof-top poles (“RTP”) and cells-on-wheels (“COW”). Our Towers are one of the youngest portfolio of tower assets in our industry, with an average age of approximately three years as of March 31, 2021. We provide passive infrastructure services on our Towers for TSPs to host equipment that provide telecommunications services to their customers. With an increasing rollout of 4G or LTE networks by TSPs and a trend for rapid technological developments in the market for transitioning into 5G and beyond, we believe that our network of towers provides us with significant advantage to tap into such markets and attract new customers. For example, as of March 31, 2021, more than 62% of our Towers were fiberized, meaning they use fiber for backhaul and have access to a fiber network, which we believe is critical for TSPs whose revenue growth is increasingly being led by data services and product offerings that require a fiber network.

The strength of our business is rooted in our long-term and stable relationship with RJIL, the anchor sharer of our Towers. RJIL is one of the largest and fastest growing wireless broadband services providers in India. It became the second largest single-country telecommunications operator in the world as of December 31, 2019, according to ETTelecom. In less than five years from its commercial launch in September 2016, RJIL has grown its wireless subscriber base to more than 422 million as of March 31, 2021, which is the largest in India, according to Telecom Regulatory Authority of India (“TRAI”). Following this growth, RJIL has become the leader in the Indian telecommunications sector, with a market share of 54.7% of total broadband subscribers as of March 31, 2021, according to TRAI. For the year ended March 31, 2021, RJIL had total data traffic of 62.5 billion gigabytes, and it has the world’s highest data traffic, according to RJIL. As of March 31, 2021, RJIL had a gross block of Rs. 1,971 billion, and for the financial year ended March 31, 2021, RJIL had a Net Debt to EBITDA ratio of 0.34. For the financial year ended March 31, 2021, Jio Platforms Limited, RJIL’s parent entity, raised Rs. 1,521 billion from investors such as Facebook, Inc., Google LLC and The Abu Dhabi Investment Authority, according to the integrated annual report of Reliance Industries Limited. In December 2019, we entered into a 30-year Master Services Agreement with RJIL to provide it with passive tower infrastructure services, as well as rights for taking up additional tenancies on the Towers. Our Towers play a critical role in the operations of RJIL’s core telecommunication service offering in India, as approximately 59% of RJIL’s telecommunication equipment is installed on our Towers as of March 31, 2021.

For the financial years ended March 31, 2020 and 2021, our total income was Rs. 74,892 million and Rs. 82,595 million, respectively, and we recorded net profit (loss) of Rs. (20,968) million and Rs. (23,380) million, respectively. As of March 31, 2021, we had total assets of Rs. 414.3 billion and total equity of Rs. (50) billion.

Competitive Strengths

We believe we benefit from the following key strengths:

Well diversified tower portfolio of a wide range of tower types, with a pan-India presence across urban and rural markets

Our Tower portfolio is well diversified across India, which we believe reinforces and develops our experience and expertise, including our ability to evaluate, own, acquire, operate and maintain new towers. We have an established presence across all 22 telecommunications circles in India, including the metro, A-category, B-category and C-category telecommunications circles. In addition, our Towers are located across both urban

and rural areas in India, which is important because according to TRAI, as of March 31, 2021, rural wireless subscribers constituted 45.37% of total wireless subscribers in India. With a large part of our Tower portfolio in rural India, we believe that we are well-positioned to benefit from the increase in consumer demand in telecommunications services being driven from rural India as we can manage faster roll out of services with existing infrastructure.

Not only are our Towers located across all regions in India, they are also strategically located to reduce competition from other tower operators. As of March 31, 2021, approximately 62% of our Towers are located in areas with no other towers within a 200-metre radius. As a result, we believe that if a competitor were to install a tower in the vicinity of our Towers, the costs and expenses that their initial sharer would have to bear as an anchor sharer are significantly higher than what such a sharer would pay at our Towers as non-anchor sharer, helping our Towers to be more resistant to competition. As our Towers allow for such non-anchor sharers, we believe that we have an advantage over other competitors that can only support one sharer.

Our Tower portfolio also boasts a full range of different tower types, including GBTs, GBMs, RTTs, RTPs and COWs. These towers are further broken down into different heights, are each suited for different types of environments and needs. We have improved upon existing tower designs in certain aspects. For instance, some of our GBTs have utilities placed inside the towers, which help to reduce costs related to diesel generators, cabinets and fencing work.

Stable, secure and recurring revenue through the Master Services Agreement, with additional revenue potential from new tenancies

Our Towers play a critical role in the operations of RJIL's core telecommunication service offering in India, as the majority of RJIL's telecommunication equipment is installed on our Towers. We entered into the Master Services Agreement, pursuant to which RJIL has leased a tenancy on up to 174,451 towers for a term of 30 years. The Master Services Agreement is non-cancellable, even in case of force majeure events. The agreement provides significant revenue stream predictability and stability, with RJIL as the anchor sharer on 174,451 towers. For additional towers beyond the 174,451 contemplated in the Master Services Agreement, we have a right of first offer whenever RJIL requires passive tower infrastructure and services on a new tower. Additionally, the Master Services Agreement provides for continuity, and therefore stability in revenues for us even in situations of a relocation of any of our Towers, or when RJIL seeks to terminate or decommission any Tower. For the 30-year duration of the Master Services Agreement, we are entitled to receive from RJIL monthly tariffs, consisting of a Monthly Site Premium with a built-in escalation clause, Monthly Site Reimbursement and passed-through power and fuel costs. Accordingly, the Master Services Agreement provides us with a high degree of certainty with respect to our revenues and cash flows.

Furthermore, although RJIL is currently the anchor sharer on all of our Towers, the majority of our Towers can accommodate additional tenancies from additional third parties. We accordingly have a significant opportunity to increase tenancies on our Towers and to improve our overall tenancy ratios, creating additional revenue and cash flow streams. We expect such co-locations among additional sharers to significantly improve our operating margins, as our incremental cost of adding additional sharers are low due to the fact that most of our Towers can accommodate additional co-locations without significant expenses. Such co-locations will be beneficial to all parties, as RJIL is entitled to discounts based on additional tenancies on the Towers, and the additional sharers will in turn benefit from the stability of costs and expenses with RJIL acting as the anchor sharer.

Large portfolio of high quality, fiberized and newly constructed towers ideally suited to capitalize on strong industry tailwinds and high demand for delivery of digital services in India

The wireless telecommunication industry in India has undergone a transformation following the launch of telecommunication services by RJIL in 2016. According to TRAI, RJIL had approximately 422.92 million wireless subscribers as of March 31, 2021. Driven by growth in the number of subscribers as well as usage, overall industry wireless data traffic is expected to grow from 10,819 gigabyte per month for fiscal year 2021 to 54,147 gigabyte per month for fiscal year 2030, according to Capitel.

With further proliferation of video-enabled products and services and the wider adoption of over the top applications, per capita data consumption of users already connected to mobile broadband networks is projected

to increase significantly. In addition, further roll-out and coverage of video enabled network by RJIL and a higher prevalence of LTE and subsequent technologies is expected to bring more users onto the data network, further increasing the demand for data. The surge in data traffic and the transition toward 4G networks and beyond will require both additional capacity and coverage sites, which would lead to significant densification of existing networks. According to the National Digital Communications Policy, 2018 (the “**Indian Communications Policy**”), the Government of India targets to achieve fiberization of at least 60% of telecommunication towers by 2022 to enable accelerated migration to 4G and 5G networks.

As of March 31, 2021, more than 62% of our Towers are fiberized, and they can handle higher capacity and bandwidth requirements in the event of increased data consumption, which we believe is critical for TSPs whose revenue growth is increasingly being led by data services and products offering. High speed data requires denser networks and better backhaul for superior user experience. We believe that with an increasing rollout of 4G / LTE networks by telecommunications operators and a trend for rapid technological developments in the market to transition to 5G and beyond, our high quality fiberized towers, the majority of which are capable of handling additional tenants, will give us a significant advantage in attracting new customers and driving our revenue growth. Additionally, our Towers are one of the youngest portfolio of towers in the industry, which we believe will further help us attract new customers, given the relatively long remaining useful life of the Towers.

All of our Towers have battery backup. Furthermore, all of our Towers have or will have connection to electricity boards and diesel generators to meet the service level agreement standards. We currently use lithium-ion batteries instead of lead-acid batteries that are more commonly used in the industry. Furthermore, our Towers have a built-in battery management system and can be monitored remotely. We believe this will improve our overall operational efficiency and help us meet our service commitments.

Long term O&M arrangement in place providing stability in costs and cash flows

In December 2019, we entered into the O&M Agreement under which RPPMSL is responsible for operations, maintenance and periodic repairs required for our Towers for a period of 30 years, as well as for meeting the service level requirements laid down in the Master Services Agreement. We believe this arrangement provides us with stability in our costs and cash flows. For example, the scope of the O&M Agreement includes, among other things, (i) operating the Towers efficiently to slot in additional sharers; (ii) replacing passive equipment, such as power plants, diesel generator sets, battery bank and others and (iii) paying operating costs, including insurance policies and associated costs of any claims and annual maintenance costs. The agreement provides additional safeguards to us in the form of the recovery of O&M costs in excess of the cost budgets from RJIL. These arrangements help afford us stable, predictable and long-term visibility on costs and cash flows, which in turn helps us to enjoy strong EBITDA margins.

Fixed capital expenditure requirements

Unlike some of our competitors, our capital expenditure requirements for constructing additional towers are fixed under the Project Execution Agreement, under which RPPMSL carries out the entire tower development process on our behalf, from site acquisitions, procurement and warehousing, construction contracting, site construction to engagement of suppliers. The fees we pay to RPPMSL for additional towers are fixed based on the type of tower. As such, our capital expenditure requirements are predictable and even in cases of cost inflation, we expect our capital expenditure to remain relatively stable.

As a result, an increase in our tenancy ratio for our existing Towers should increase our operating margins. Furthermore, we would expect additional co-locations to also be accretive to our cash flow because the capital expenditure required for, and our incremental cost of, adding new tenants to existing sites will be relatively low, since most of our Towers can accommodate additional co-locations in their current condition.

Favorable government policies paving the way for growth in the passive infrastructure industry

We believe that the Government’s focus on digitalization of the Indian economy will be beneficial to our business. Under the Indian Communications Policy, the Government has stated that in order to expand mobile and broadband connectivity across India, it is critical to focus on infrastructure development initiatives related to fiber deployment and right of way clearances, for both over-ground and underground infrastructure that will form the backbone of next generation technologies. The Indian Communications Policy also seeks to incentivize tower

companies by (i) extending exemptions for the construction of telecommunication towers; (ii) providing accelerated right of way permissions for telecommunication towers on government premises; (iii) promoting and incentivizing deployment of solar and green energy for telecommunication towers; and (iv) approving applications of telecommunication operators to conduct trials of the 5G technology and to develop necessary equipment. We believe these initiatives and policies will provide further impetus to the industry and growth in tenancies. According to Capitel, the total demand for tenancies, as expressed as an incremental increase in the number of base transceiver stations in India, is projected to increase by 1,200,487 between fiscal year 2021 to fiscal year 2030. We believe that we are well-positioned to benefit from the growing demand for tenancies given our currently low utilization as well as from the growing demand for passive infrastructure by the TSPs. For further details on the market opportunity and the telecommunications industry in India, see the section titled “Industry Overview”.

Independent and experienced management supported by Brookfield as sponsor

We are an independently managed company led by a management team of highly-qualified individuals with a wealth of experience in telecommunications and tower infrastructure sectors, with an average of more than 25 years of work experience. In addition, BIF IV Jarvis India Pte. Ltd. of Brookfield, a prominent asset management company, is a sponsor of Tower Infrastructure Trust, our parent entity. The investment manager of Tower Infrastructure Trust has appointed three of the four members of our Board of Directors (the remaining member being our Chief Executive Officer), as well as helped introduce a new governance structure for our business. As of March 31, 2021, Brookfield managed consolidated assets amounting to US\$21.4 billion in India (including committed capital). Brookfield and our directors have a deep understanding and experience of tower operations in India. In addition, our management is supported by our internal auditor, PricewaterhouseCoopers.

Strong Access to Bank Loans and Capital Markets

We have a domestic credit rating of AAA (stable) from CRISIL. We are able to achieve strong creditworthiness and low cost of financing due to our 30-year non-cancellable Master Services Agreement with the largest telecommunication company in India as well as the strong industry reputation of Brookfield. We have no off-balance sheet debt and minimal contingent liabilities, and our capital expenditure is entirely financed with relationship banks. As of the date of this Offering Memorandum, we are approved to borrow up to \$4 billion from top private and public sector banks in India. In addition, we have successfully raised \$200 million carrying a coupon rate of 6.59% from Indian debt capital markets in June 2021.

Strategies

The key elements of our strategy include:

Develop our Tower portfolio and optimize and improve their tenancy ratios

We believe that our Towers are strategically located on key areas in India and are therefore ideally suited to tap into the growing demand for high quality and fiberized telecommunication towers from TSPs, given the increasing demand for data services and increasing roll out and adoption of next generation technologies, such as 4G and 5G networks. As over 80% of our Towers in urban areas and over 40% of our Towers in rural areas are fiberized as of the date of this Offering Memorandum, we believe we are well-positioned to meet the demands for 4G and 5G networks. We intend to continue to service RJIL through our Towers, to meet its growing demand for passive infrastructure services. In addition, we expect to actively market our Towers to third party TSPs to achieve (i) improved utilization; (ii) reduction of dependence on RJIL and (iii) increased revenue from operations and cash flows. Potential future customers include telecommunications and other service providers, such as mobile network operators, fixed broadband players and other ISPs and distribution platform operators. Recently in December 2020, we have executed a term sheet with Bharti Airtel Limited, and we are in negotiations with other telecommunications providers in India.

In addition to improving tenancy ratios on our Towers, we plan on further increasing the portfolio of our Towers. Under the Project Execution Agreement, 174,451 towers will be constructed by RPPMSL on our behalf. While we believe that these new towers, with RJIL as an anchor sharer, will help us meet the growing demand for telecommunication towers in India, we may also strategically and opportunistically build additional towers based on future market demand.

Develop our ESG initiatives

Enhancing our commitment to ESG is a strategic priority. We strive to minimize the environmental impact of our operations and to promote efficient use of resource through sustainability and renewable energy solutions. For instance, most of our sites deploy advanced technology to reduce environment impact, such as effective battery backup to eliminate the need of permanent diesel generator sets. Furthermore, we are implementing a plan to reduce the use of diesel and fuel oil at our sites and to increase the use of solar energy at over 4,000 of our Tower sites, and to These efforts will not only improve energy efficiency but also reduce greenhouse gas emissions. We support the global initiative of achieving net zero greenhouse gas emissions by 2050. Our current priority is to have the greenhouse gas emissions from our business operations be limited to “Scope 1” and “Scope 2” emissions as designated by the Greenhouse Gas Protocol.

We also place importance on the health and safety of our employees. We operate our businesses under the belief that every injury is preventable and everyone working for or on our behalf needs to return to their home safely every day. As our business and involves inherent health and safety risks, we are in the process of implementing various initiatives to protect our employees, such as safe road travel requirements and additional safeguards for working at heights. In addition, to ensure the well-being and safety of employees, we seek to foster a positive work environment based on respect for human rights and diversity, as well as zero tolerance for workplace discrimination, violence or harassment.

We conduct our business activities in accordance with a set of strict corporate governance protocols, which include an anti-bribery and corruption policy, a code of business conduct and ethics, prevention of sexual harassment, corporate social responsibility, a whistleblower policy, an ethics hotline, corporate governance committees, cyber security measures and policies for health, safety, security and environment. We will continue to implement ESG and corporate governance initiatives throughout our operations in India to become a more sustainable, efficient, safe, healthy, ethical, secure and fully compliant tower operator.

Maintain disciplined financial policies

Our debt instruments have been rated AAA (stable) from CRISIL and CARE Ratings and the Notes are rated BBB- and BBB- by S&P Global Ratings and Fitch Ratings, respectively.

We have achieved AAA (stable) ratings for our bank facilities in India. In order to maintain our low cost of financing, we are committed to a disciplined approach to our financial and risk management policies. Under our prudent financial management, we will have strong access to multiple sources of capital raising and liquidity at competitive cost of funding.

As part of our financial management efforts, we are actively monitoring our debt profile in view of our upcoming fixed costs for additional towers. We continue to look for different avenues for raising funds and ways to further reduce funding costs and proactively hedge against exchange rate. We ensure that our debt financing is done only to the extent required for acquiring new towers, so that the additional revenues from new towers will help reduce our leverage.

Pursue additional business opportunities through entering into partnerships, developing small cells and building smart city infrastructure

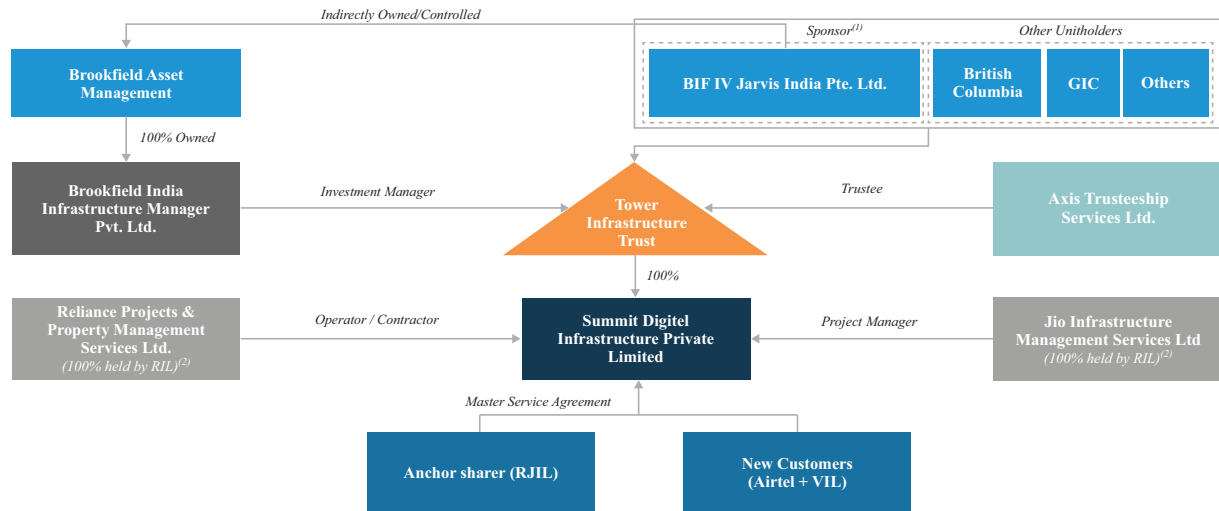
In order to further leverage our Tower assets and to increase and diversify our revenue, we plan on entering into additional business opportunities. For instance, we are exploring possibilities additional partnerships that would increase tenancies and revenues from our Towers, such as with internet service providers. In addition, using our expertise on telecommunication devices, we are looking to develop small cell structurers as another avenue of reaching our customers. Other business areas that we believe we are well positioned to enter include smart city infrastructures.

Improve operations throughout India by building teams across all regions and types of telecommunications circles

To improve and stabilize our operations in India, we plan on implementing a three-tier organizational structure — corporate headquarter, region offices and circle offices. Our goal is to establish four region offices

and 22 circle offices, and we believe they will enable us to better control and manage our operations and business throughout India. To this end, we plan to recruit approximately 300 additional employees, including more than 60 employees in corporate headquarters, 30 in regional offices and 200 in circle offices. Each circle is expected to have resources responsible for sales, deployment, O&M, health and safety, site compliance and finance.

Corporate Structure



Note: (1) Reliance Industrial Investments and Holdings Limited ("RIIHL") is also a sponsor of Tower Infrastructure Trust by virtue of having created it during inception. However, RIIHL doesn't have any sponsor rights and holds zero units of the Tower Infrastructure Trust; (2) Held indirectly via RIIHL.

SUMMARY OF THE OFFERING

The following is a general summary and should not be relied on as a complete description of the Terms and Conditions of the Notes (the “Conditions”). This summary is derived from, and should be read in conjunction with, the full text of the Conditions and the Trust Deed constituting the Notes, which prevail to the extent of any inconsistency with the terms set out in this summary. You should read this entire Offering Memorandum, including “Risk Factors” and the financial statements included elsewhere in this Offering Memorandum, before making an investment decision. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Conditions.

| | |
|--|---|
| Issuer | Summit Digitel Infrastructure Private Limited |
| Parent | Tower Infrastructure Trust |
| Sponsor | BIF IV Jarvis India Pte. Ltd., or any other person, in each case as long as it is controlled by Brookfield Asset Management Inc. |
| Notes Offered | U.S.\$500,000,000 2.875 per cent. Senior Secured Notes due 2031 (the “Notes”). |
| Issue Price | 98.459 per cent. |
| Maturity Date | August 12, 2031 |
| Interest | The Notes will bear interest on their outstanding principal amount from and including the Closing Date at the rate of 2.875 per cent. per annum. |
| Trustee | Citicorp International Limited |
| Principal Paying Agent and Transfer Agent | Citibank, N.A., London Branch |
| Registrar | Citicorp International Limited |
| Security Trustee | Axis Trustee Services Limited |
| Status of the Notes | The Notes constitute unsubordinated obligations of the Issuer and will rank at all times <i>pari passu</i> without any preference among themselves and (subject to certain conditions in relation to the release of security) at least equally with all other present and future senior secured obligations of the Issuer and senior in respect of all other present and future unsecured or subordinated obligations of the Issuer, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights. |
| Collateral | <p>The Issuer’s payment obligations under the Notes and the performance of its other obligations under the Notes and the Trust Deed will be secured within 90 Business Days of the Closing Date by a first ranking <i>pari passu</i> charge on (a) all moveable fixed assets (present and future) of the Issuer; (b) all current assets (present and future) of the Issuer including the receivables and rights appurtenant thereto; (c) all rights of the Issuer under the Material Documents; and (d) all rights of the Issuer in the Receivables, in each case pursuant to the Security Documents (as each defined in the Conditions).</p> <p>The Liens on the Collateral may be released if the ratio of Secured Indebtedness to Total Indebtedness is less than 33%.</p> |

Form and Registration of the Notes

The Notes will upon issue be initially represented by one or more global certificates in fully registered form.

Notes which are offered and sold outside the United States in reliance on Regulation S will be represented by interests in a global certificate (the “**Regulation S Global Certificate**”), deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC on or about the Closing Date. Notes which are offered and sold in the United States in reliance on Rule 144A will be represented by interests in a global certificate (the “**Rule 144A Global Certificate**” and, together with the Regulation S Global Certificate, the “**Global Certificates**”), deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC on or about the Closing Date.

Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream (together, the “**Clearing Systems**”) and their respective direct and indirect participants. Beneficial interests in the Global Certificates may not be exchanged for Notes in definitive form except in the limited circumstances described in the Global Certificates — see “*Global Certificates*”.

See also generally, “*Clearance and Settlement*” and “*Subscription and Sale*”.

Events of Default

See “*Terms and Conditions of the Notes – Events of Default*”.

Denomination

The Notes will be issued in minimum denominations of U.S.\$200,000 and higher integral multiples of U.S.\$1,000 thereafter.

Interest Payment Dates

Interest on the Notes will be payable semi-annually in arrear on each Interest Payment Date, being February 12 and August 12 in each year, commencing on February 12, 2022, provided that if any Interest Payment Date falls on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding business day. All interest payable on the Notes shall be subject to applicable laws in India, including but not limited to the ECB Guidelines.

Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time, on giving not less than 10 nor more than 60 days’ notice, at their principal amount (together with accrued and unpaid interest, if any, to (but excluding) the redemption date, in connection with certain changes in tax law.

Redemption for a Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), each holder of the Notes shall have the right to require that the Issuer redeem such holder’s Notes at 101 per cent. of their principal amount (together with accrued and unpaid interest, if any, to (but excluding) the redemption date).

Redemption at the option of the Issuer

At any time prior to August 12, 2030, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Notes issued on the Closing Date, upon not less than 10 nor more than 60 days’ notice, at a redemption price equal to 102.875%

of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, in an amount not to exceed the net proceeds from an Equity Offering (as defined in the Terms and Conditions of the Notes) by the Issuer or contributions to the Issuer's common equity capital made with the net cash proceeds of a concurrent Equity Offering by the Parent (as defined in the Terms and Conditions of the Notes).

At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the redemption date, provided that no Applicable Premium will be payable if the Notes are redeemed on or after August 12, 2030 (being the date that is 12 months prior to the Maturity Date).

Covenants

The Issuer has agreed to a number of covenants. See *"Terms and Conditions of the Notes — Covenants"*.

Withholding Tax and Additional Amounts

If certain taxes are payable in India in respect of payments on the Notes, the Issuer will, subject to certain exceptions, pay such additional amounts as will result in the receipt by the Noteholders of the amounts which would have been received by the Noteholders in respect of the Notes, had no such withholding or deduction been required. See *"Terms and Conditions of the Notes—Taxation"*.

Transfer Restrictions

The Notes have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the United States only to qualified institutional buyers (as defined in Rule 144A) in accordance with Rule 144A and outside the United States in offshore transactions in accordance with Regulation S. There are other restrictions on the offer, sale and/or transfer of the Notes in, among other jurisdictions, the European Economic Area, the United Kingdom, the United States, Singapore, India, Hong Kong and Japan. For a description of the selling restrictions on offers, sales and deliveries of the Notes, see *"Subscription and Sale"* and *"Transfer Restrictions"*.

Anticipated Rating of the Notes

The Notes are rated "BBB-" by S&P Global Ratings and "BBB-" by Fitch Ratings. A security rating is not a recommendation to buy, sell or hold securities insofar as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances warrant. Ratings may be changed, withdrawn or suspended at any time. We are under no obligation to update information regarding such ratings should they change over time.

Book-Entry Only

The Notes will be issued in book-entry form for the accounts of DTC, Euroclear and Clearstream.

Delivery of the Notes

The Issuer expects to make delivery of the Notes, against payment in same-day funds, on or about August 12, 2021, which the Issuer expects will be the fifth business day following the date of this

Offering Memorandum, referred to as “T+5”. You should note that initial trading of the Notes may be affected by the T+5 settlement.

Governing Law

The Notes, the Trust Deed and the Agency Agreement will be governed by the laws of England. The Security Documents will be governed by Indian law.

Risk Factors

For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see “*Risk Factors*”.

Listing and Trading

Application will be submitted to the SGX-ST for the listing of and quotation for the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Use of Proceeds

The Issuer intends to use the proceeds from the offering of the Notes as described under “Use of Proceeds”.

**U.S. Federal Income Tax
Considerations to U.S. Holders**

For a discussion of certain U.S. federal income tax considerations to U.S. holders of an investment in the Notes, see “*Taxation — Certain United States Federal Income Tax Considerations to U.S. Holders*”. You should consult your own tax advisor to determine the U.S. federal, state, local and other tax consequences of an investment in the Notes.

Security Trustee Agreement

The Issuer will enter into a security trustee agreement with the Security Trustee.

Legal Entity Identifier

3358004TNI1SSIQ9BQ37

CUSIP

Regulation S Notes: Y8190D AA5

Rule 144A Notes: 86608C AA6

ISIN

Regulation S Notes: USY8190DAA55

Rule 144A Notes: US86608CAA62

SUMMARY FINANCIAL AND OTHER DATA

The following tables present the selected summary financial information for our Company for the periods ended and at the dates indicated below.

The summary financial information for the financial years 2019, 2020 and 2021 presented below has been derived from our audited financial statements included elsewhere in this Offering Memorandum. The financial information for the financial years 2019, 2020 and 2021 should be read in conjunction with our audited financial statements and the notes thereto included elsewhere in this Offering Memorandum and the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Our audited financial statements have been prepared in accordance with Ind-AS. Significant differences exist between Ind-AS and IFRS, hence the adjustments that are ultimately required to convert from Ind-AS to IFRS could be significant. For a summary of the significant differences between Ind-AS and IFRS, see the section entitled “Summary of Significant Differences Between IFRS and Ind-AS”. Potential investors should consult their own professional advisers for an understanding of the differences between Ind-AS and IFRS, and how these differences might affect their understanding of the financial information contained herein.

Statement of Profit or Loss

| | | For the Fiscal Year ended March 31, | | |
|--|-------------|--|-----------------|---------------------------------|
| | 2019 | 2020 (Rs. in millions) | 2021 | 2021 (U.S.\$ in millions) |
| Revenue from Operations | — | 74,767 | 82,442 | 1,121.59 |
| Other Income | 5 | 125 | 153 | 2.08 |
| Total income | 5 | 74,892 | 82,595 | 1,123.67 |
| Expenses | | | | |
| Network Operating Expenses | — | 45,878 | 51,360 | 698.73 |
| Employee Benefits Expense | — | 1 | 164 | 2.23 |
| Finance Costs | — | 31,940 | 34,590 | 470.58 |
| Depreciation and Amortization Expense | — | 17,784 | 19,560 | 266.11 |
| Other Expenses | 32 | 257 | 301 | 4.09 |
| Total Expenses | 32 | 95,860 | 105,975 | 1,441.74 |
| Loss Before Tax | (27) | (20,968) | (23,380) | (318.07) |
| Tax Expenses | — | — | — | — |
| Loss for the Year | (27) | (20,968) | (23,380) | (318.07) |
| Other Comprehensive Loss | — | — | — | — |
| Total Comprehensive Loss for the Year | (27) | (20,968) | (23,380) | (318.07) |
| Earnings Per Equity Share | | | | |
| Basic Per Share (in Rs./US\$) | (1.61) | (9.78) | (10.87) | (0.15) |
| Diluted Per Share (in Rs./US\$) | (1.61) | (9.78) | (10.87) | (0.15) |

“—” denotes nil.

Statement of Balance Sheet

| | 2019 | As of March 31, 2020 (Rs. in millions) | 2021 | 2021 (U.S.\$ in millions) |
|--|------------------|---|------------------|---------------------------------|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 248,208 | 387,266 | 380,105 | 5,171.17 |
| Right of Use Assets | — | 117 | 206 | 2.80 |
| Capital Work in Progress | 80,152 | — | 18 | 0.24 |
| Financial Assets | | | | |
| Other Financial Assets | 2,726 | 3,072 | 4,571 | 62.19 |
| Other Non-Current Assets | 2,615 | 3,236 | 3,236 | 44.02 |
| Total Non-Current Assets | 333,701 | 393,691 | 388,136 | 5,280.42 |
| Current Assets | | | | |
| Financial Assets | | | | |
| Investments | 145 | — | — | — |
| Trade Receivables | 310 | 153 | 153 | 2.08 |
| Cash and Cash Equivalents | 3 | 446 | 9,914 | 134.88 |
| Other Bank Balances | — | 3 | 3 | 0.04 |
| Other Financial Assets | 15,000 | 24,099 | 4,531 | 61.64 |
| Other Current Assets | 18,954 | 22,553 | 11,589 | 157.66 |
| Total Current Assets | 34,412 | 47,254 | 26,190 | 356.30 |
| Total Assets | 368,113 | 440,945 | 414,326 | 5,636.73 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity Share Capital | 2,150 | 2,150 | 2,150 | 29.25 |
| Other Equity | 467 | (20,501) | (52,495) | (714.17) |
| Total Equity | 2,617 | (18,351) | (50,345) | (684.92) |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 188,360 | 228,194 | 431,851 | 5,875.15 |
| Right of Use Liabilities | — | — | 88 | 1.20 |
| Provisions | 7,414 | 10,854 | 11,235 | 152.85 |
| Total Non-Current Liabilities | 195,774 | 239,048 | 443,174 | 6,029.19 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 29,650 | 30,050 | — | — |
| Trade Payables | | | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | 0 ⁽¹⁾ | — | 0 ⁽¹⁾ | 0 ⁽¹⁾ |
| Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises | 3,111 | 3,059 | 1,945 | 26.46 |
| Right of Use Liabilities | — | — | 18 | 0.24 |
| Other Financial Liabilities | 12,164 | 71,142 | 14,708 | 200.1 |
| Creditors for Capital Expenditure | 124,770 | 114,610 | — | — |
| Other Current Liabilities | 27 | 1,387 | 4,822 | 65.60 |
| Provisions | — | — | 4 | 0.05 |
| Total Current Liabilities | 169,722 | 220,248 | 21,497 | 292.46 |
| Total Liabilities | 365,496 | 459,296 | 464,671 | 6,321.65 |
| Total Equity and Liabilities | 368,113 | 440,945 | 414,326 | 5,636.73 |

“—” denotes nil and “0” means the amount is below the denominated threshold.

Statement of Cash Flows

| | For the Fiscal Year ended March 31, | | | |
|--|--|--------------------------------------|------------------|---|
| | 2019 | 2020 <i>(Rs. in millions)</i> | 2021 | 2021 <i>(U.S.\$ in millions)</i> |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Loss Before Tax as Per Profit and Loss Statement | (27) | (20,968) | (23,380) | (318.07) |
| Adjusted for: | | | | |
| Fees for Increase in Authorized Capital | 25 | — | — | — |
| Depreciation and Amortization Expense | — | 17,784 | 19,560 | 266.11 |
| Gain on Investments (Net) | (1) | (119) | (49) | (0.67) |
| Interest Income | — | — | (64) | (0.87) |
| Interest on Income Tax Refund | — | (6) | (40) | (0.54) |
| Finance Costs | — | 31,940 | 34,590 | 470.58 |
| Operating Profit Before Working Capital Changes | (3) | 28,631 | 30,617 | 416.53 |
| Adjusted for: | | | | |
| Trade and Other Receivables | (1) | (11,184) | 12,505 | 170.13 |
| Trade & Other Payables | 6 | 13,324 | (40,910) | (556.56) |
| Cash (Utilized in)/Generated from Operations | 2 | 30,771 | 2,212 | 30.09 |
| Income Taxes Refund/(Paid) | — | (695) | 488 | 6.64 |
| Net Cash (Utilized In)/Generated from Operations (A) | 2 | 30,076 | 2,700 | 36.73 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Property, Plant and Equipment | — | (84,639) | (110,631) | (1,505.09) |
| Purchase of Investments | (200) | (166,930) | (45,029) | (612.60) |
| Sales of Investments | 56 | 167,194 | 45,078 | 613.27 |
| Fixed Deposits with Banks | — | — | — | — |
| Investments in Bank Deposits | — | (6) | (30) | (0.41) |
| Interest Received | — | — | 55 | 0.75 |
| Net Cash Flow Used in Investing Activities (B) | (144) | (84,381) | (110,557) | (1,504.08) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Equity Shares | 140 | — | — | — |
| Payment of Lease Liabilities | — | — | (4) | (0.05) |
| Proceeds from Long-Term Borrowings | — | 50,000 | 551,835 | 7,507.48 |
| Repayment of Long-Term Borrowings | — | (10,000) | (356,720) | (4,853.02) |
| Proceeds from Short Term Borrowings | — | 38,312 | — | — |
| Repayment of Short-Term Borrowings | — | (37,912) | (30,050) | (408.82) |
| Deposit Received | — | 35,940 | — | — |
| Working Capital Adjustment | — | — | (3,824) | (52.02) |
| Finance Costs Paid | — | (21,592) | (43,912) | (597.40) |
| Net Cash Flow Generated from Financing Activities (C) | (140) | 54,749 | 117,325 | 1,596.16 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | (2) | 444 | 9,468 | 128.81 |
| Opening Balance of Cash and Cash Equivalents | 5 | 3 | 446 | 6.07 |
| Closing Balance of Cash and Cash Equivalents | 3 | 446 | 9,914 | 134.88 |

“—” denotes nil.

Other Financial Information

| | For the Financial Year ended March 31, | | | |
|---------------------------------------|---|--------------------------------------|------------------------|---|
| | 2019 | 2020 <i>(Rs. in millions)</i> | 2021 | 2021 <i>(U.S.\$ in millions)</i> |
| Revenue | — | 74,767 | 82,442 | 1,122 |
| EBITDA ⁽¹⁾ | (27) | 28,756 | 30,770 | 419 |
| External Secured Debt | 228,010 | 228,194 | 183,475 ⁽²⁾ | 2,496 ⁽²⁾ |
| Shareholder Loan | — | — | 250,000 | 3,401 |
| External Secured Debt to EBITDA | (8,444.81) | 7.94 | 5.96 | 5.96 |

“—” denotes nil.

Notes:

- (1) Earnings before interest, taxes, depreciation and amortization.
- (2) Does not include non-cumulative redeemable preference shares.

RISK FACTORS

An investment in the Notes involves risks. You should carefully consider all of the information in this Offering Memorandum and, in particular, the risks described below before deciding to invest in the Notes. The following describes some of the significant risks that could affect us and the value of the Notes as well as our ability to pay interest on, and repay the principal of, the Notes. Additionally, some risks may be unknown to us and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially and adversely affect our business, financial condition, results of operations and prospects. The market price of the Notes could decline due to any of these risks and you may lose all or part of your investment. This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties including those described under “Forward-Looking Statements” elsewhere in this Offering Memorandum. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Offering Memorandum.

The risks described below are not the only ones that may affect us or the Notes. In general, investing in securities of companies in emerging market countries such as India involves risks not typically associated with investing in the securities of companies in more developed economies. To the extent the description in this section relates to the Government or Indian macroeconomic data, such information has been extracted from official Government publications or other third-party sources and has not been independently verified by us.

Risks Relating to our Business

Substantially all of our revenue is derived from RJIL.

Substantially all of our revenue is derived from RJIL, and we expect this revenue concentration to continue for the foreseeable future. Because of this, our operations and financial condition depend on factors affecting the growth of the business of RJIL and its ability to implement its business plans. RJIL’s business is sensitive to factors such as the general growth of the Indian economy, the intensity of competition in the telecommunication industry, the telecommunications technology landscape, digital consumer behaviors regarding the adoption of digital services and the governmental policies or regulatory framework or any changes to such policies or framework for digital communications in India. RJIL’s business is also affected by factors which have a significant impact on telecommunications companies, such as the usage of fiberized towers and fiber backhaul, the length and frequencies of network downtime, the availability of licenses and spectrum in relevant service areas and the appropriate selection of tower sites. Changes in RJIL’s business requirements or focus, any adverse industry conditions and/or regulatory requirements that cause RJIL to re-consider its vendor selection, project prioritization, financial prospects, capital resources and expenditures as contemplated in their business plan or any deterioration in the creditworthiness of RJIL or its inability or unwillingness to meet its obligations under the Master Services Agreement, may materially disrupt our relationship with them regardless of any contractual protections that we may have. In addition, disputes with RJIL could lead to a termination of our agreements with them, or a material modification of their terms. If we are forced to resolve any of these disputes through litigation, our relationship with RJIL could be terminated or damaged, which could lead to decreased revenues or increased costs.

Although our strategic plans include expanding the sources of our revenue to include customers other than RJIL, we may be unsuccessful in doing so, and consequently any deterioration in our relationship with RJIL, or any significant breaches of the agreements between us could result in a material adverse effect on our business, financial condition, prospects and results of operations.

Due to the long-term expectations of revenue from services agreement, we are exposed to the creditworthiness and financial strength of our sharers.

Due to the long-term nature of our services agreements, which can run over the course of decades in some cases, we are dependent on the continued financial strength of our customers over long periods. Although RJIL is currently the anchor sharer of our Towers, we plan on increasing tenancies on our Towers, and our business, financial condition, prospects and results of operations will depend in large part on the creditworthiness and financial strengths of such sharers.

As the Indian telecommunications industry is highly competitive and undergoing consolidations of a number of operators, we believe that only a small number of these operators are profitable. Digital footprints in India are rapidly growing resulting in more data consumption which would in turn result in growth of

telecommunication businesses. However, many telecommunications operators are substantially leveraged and rely on capital raising activities to fund their operations and capital expenditures. A downturn in the economy and/or disruption in the financial and credit markets could make it more difficult and costly to raise capital. If our customers or potential customers are unable to raise adequate capital to fund their business plans, they may reduce their capital spending, which could materially and adversely affect demand for our Towers. In case of any economic downturn, one or more of our significant customers may experience financial difficulties and could default on our accounts receivables, which in turn could have a material adverse effect on our business, financial condition, prospects and results of operations.

Our contractual invoicing cycle is typically monthly in arrears, and we may experience volatility in terms of timing for settlement of invoices. Furthermore, we may from time to time charge additional fees relating to overloading of our equipment on our Towers, which the customer may dispute. Although we may have good faith claims for such additional fees, what we collect may differ from our estimates.

The term of the Master Services Agreement with RJIL is 30 years, and the term of our service agreements with other sharers are typically 10 years. No assurance can be given that our customers will renew their site contracts at the expiration of those contracts or that we will be successful in negotiating favorable terms with the customers that renew or seek to renegotiate their site contracts. The failure to obtain or successfully negotiate favorable terms for renewals of existing customer site contracts or the termination of existing customer site contracts due to customer licensing issues could result in a reduction in our revenue and may have a material adverse effect on our business, financial condition, prospects and results of operations.

Significant consolidation of wireless service providers or an increase in the sharing of passive infrastructure could materially and adversely affect our business.

The Indian cellular telecommunication industry has experienced consolidation in recent years. Significant consolidation among our current or potential customers may result in reduced capital expenditure in the aggregate as the existing networks of many wireless carriers overlap, as do their expansion plans. Pursuant to any such consolidation, certain parts of our current or potential customers' merged networks may be deemed to be duplicative and customers may attempt to eliminate these duplications. Our future results of operations could be negatively impacted if a significant number of these contracts are eliminated from our ongoing contractual revenues and our growth prospects may be limited if such consolidations occur and eliminate what we currently believe to be potential markets for our services. In addition, the development and commercialization of new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks may significantly decrease demand for additional passive telecommunication infrastructure, and there may be increased sharing of passive telecom infrastructure equipment between operators in the future. Any of these factors may reduce demand for our products and services, which could adversely affect our business, financial condition, prospects and results of operations.

Competition in the tower leasing industry may create pricing pressures that could materially and adversely affect us.

Competition in the telecommunications tower industry is intense, and our potential customers or telecommunications service providers ("TSPs") have numerous alternatives for obtaining similar passive tower infrastructure services, including:

- telecommunications operators that own (individually or together with other operators) tower portfolios and offer space for installation of telecommunication equipment and antennas to third parties;
- independent tower companies that operate tower portfolios and offer space for installation of telecommunication equipment and antennas to third parties; and
- owners of alternative site structures such as outdoor and indoor distributed antenna system networks, billboards and electric transmission towers, who may offer their infrastructure to be utilized for installation of the telecommunications equipment and antennas.

We believe competition in the tower infrastructure industry in India is based principally on size of site portfolio and pricing, tower location, relationships with telecommunications operators, tower quality and height, operational management and additional services to sharers. Some of our competitors may have greater financial resources and have better relationship with other telecommunications operators than we do, and they may be able to offer services at a rate lower than us.

Competitive pressures could materially and adversely affect our tenancy rates and income, and could result in our existing or future customers not renewing their contracts, or new customers leasing towers from our competitors and not from us. We also face, and expect to continue to face, competition in identifying and successfully acquiring tower assets, particularly for high quality tower assets and large site portfolios, which could also make our tower acquisitions more costly. Any of the foregoing factors could materially and adversely affect our business, financial condition, prospects and results of operations.

Our failure to meet our service level obligations could have an adverse impact on our reputation.

As a part of the service agreements that we entered into or may enter into with our customers, we have committed to and will commit to maintain certain service level standards, which impose or may in the future impose, as the case may be, stringent obligations upon us and our operations, including in relation to required minimum availability levels. For example, we must provide a link uptime calculated on a monthly basis to RJIL under the Master Services Agreement. We believe that our services are critical to the operations of our customers' businesses and hence our service agreements impose various service level credits on us in the event that we fail to meet our obligations.

Any failure by us to comply with applicable service levels could damage our reputation or result in claims against us. Successful assertions of one or more claims against us, especially by our potential customers, could have a significant adverse effect on our reputation, our relationship with our customers and therefore, our business, financial condition, prospects and results of operations.

The outbreak of COVID-19 has caused severe disruptions in the Indian and global economy and adversely impacted our business, at least in the near term. While the full scale and scope of the effects of COVID-19 are unknown at this time, the overall impact on our business, financial condition, prospects and results of operations could be material.

In late 2019, COVID-19 began spreading globally and is now in every state in India. In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India, declared national emergencies with respect to COVID-19. The global impact of the outbreak continues, with many countries instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, limiting operations of non-essential businesses and instituting national or regional lockdowns. Such actions adversely impacted many industries, including ours, although we have not yet experienced significant disruptions to the operation of our Towers as a result of our business continuity plan. When operations began resuming in a phased manner at various locations in accordance with the guidelines released by the Government, we were required to adopt precautionary measures, including social distancing, zero-touch interactions and the stringent sanitization of our workplaces.

Although vaccination against COVID-19 has begun worldwide as of the date of this Offering Memorandum, the pandemic could have a continued adverse impact on economic and market conditions in India and trigger a period of further global economic slowdown. The scale and scope of the COVID-19 pandemic may heighten the potential adverse effects on our business, financial condition, prospects and results of operations of the risks described in these "Risk Factors," including the impact of:

- increased costs associated with further country-wide or regional lockdowns and compliance with new government regulations or restrictions, such as quarantines or social distancing mandates, which regulations or restrictions may delay capital expenditures plans or curtail our normal operations;
- potentially unfavorable macroeconomic and other conditions for our clients and customers;
- delays or cancellation of tower construction projects and delays in collecting on certain accounts receivable from our customers;
- significant disruptions if employees are affected by the pandemic, which could disrupt our operations, raise costs and reduce revenue and earnings;
- fluctuations in securities market prices, interest rates and credit spreads, limiting our ability to raise or deploy capital and affecting our overall liquidity; and
- increased costs or inefficiencies arising from operational changes and measures implemented to ensure the health and safety of our employees and counterparties.

The uncertain development and fluidity of the COVID-19 pandemic precludes any prediction as to the ultimate adverse impact of the COVID-19 pandemic on economic and market conditions, and, as a result, with

respect to our business. The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the future severity and transmission rate of the virus, the extent and effectiveness of lockdowns and other containment actions in India and globally, the timing and scale of vaccine implementation in India and the impact of these and other factors on our employees, customers, suppliers and partners.

We may not successfully execute our growth strategy.

Our strategy for the growth of our business involves three components: organic growth through expansion of our tenancy ratio, construction of additional towers and growth by acquisition of tower portfolios from independent tower leasing companies and telecommunications operators. Our ability to execute the organic growth component of our strategy will depend on a number of factors, including our ability to continue obtaining orders and deploying build-to-suit towers and co-locations, as may be required under the Master Services Agreement, in a timely and cost-effective manner and our ability to maintain our relationships with the regulatory authorities and to obtain any required governmental approvals. There can be no assurance that we will be able to continue expanding our Tower portfolio organically on a commercially viable basis or in a timely manner, or at all, and our failure to do so could have a material adverse effect on our business, financial condition, prospects and results of operations.

Our ability to execute the acquisition growth component of our strategy will also depend on a number of factors. We will need to identify suitable acquisition candidates at an acceptable cost, reach an agreement with each acquisition candidate and its shareholders on commercially reasonable terms and also secure financing to complete larger acquisitions or investments. In addition, the completion of acquisitions are typically subject to the fulfillment of certain conditions, some of which are beyond our control. We are continuously examining the merits, risks and feasibility of potential transactions and searching for acquisition opportunities. Such search and examination efforts, and any related discussions with third parties, may or may not lead to future acquisitions.

Our acquisition strategy will also place significant demands on the time and attention of our management. In addition to integrating, training and managing our expanding workforce, we will need to continue to develop and improve our financial and management controls, information systems and reporting procedures, including those of any acquired businesses. Additional risks associated with acquisitions include, but are not limited to, the following:

- it may be difficult to integrate the operations of an acquired business into our organization and we may have to incur expenditure to ensure integration of our technology into such acquired businesses;
- management, information, and accounting systems of an acquired business may be different from, and incompatible with, our current systems and may need to be successfully integrated;
- our failure to manage regulatory non-compliance following the acquisition of a business may result in the removal or cessation of the towers in the site portfolio of the acquired business; and
- we could lose some of the key employees of an acquired business.

The benefits of any acquisition may take considerable time to be realized, and there can be no assurance that any particular acquisition will produce the intended results or benefits. In addition, an acquisition or investment transaction may expose us to unknown liabilities or risks without sufficient indemnities or other legal protections. There can be no assurance that we will be able to continue to expand our site portfolio on a commercially viable basis or in a timely manner, or at all.

In addition, our acquisition strategy will also require us to expend a significant portion of our cash reserves, incur substantial indebtedness and/or issue a substantial amount of new equity, which could adversely affect our financial condition and liquidity and result in significant dilution of our existing shareholders' interests. The impact of dilution may also restrict our ability to consummate further acquisitions. We may also incur losses related to the impairment of goodwill and other intangible assets upon or following the acquisition of another business. There can be no assurance that we will be able to efficiently or effectively manage the integration of acquisitions or the growth of our operations post-acquisition, and our failure to do so could materially and adversely affect our business, financial condition, prospects and results of operations.

We require substantial amounts of capital for our business operations and the failure to obtain additional equity or debt financing on favorable commercial terms may hinder our growth.

Our business is highly capital intensive, requiring substantial amounts of capital to build and maintain our Tower portfolio. We may also require significant amounts of capital to develop new services and products, to

develop and implement new technologies and expand our operations. If we commit capital expenditures and experience a reduction in demand from sharers, our financial condition and results of operations could be materially and adversely affected. The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in establishing, expanding or upgrading our networks, unanticipated expenses, regulatory reform, engineering and design changes and technological changes.

Furthermore, any inability to obtain sufficient financing could result in the delay or abandonment of our development plans or our inability to continue to provide appropriate levels of service in all or a portion of our markets. We also intend to rely on debt in order to implement some of our expansion plans.

Our ability to obtain additional finance on favorable commercial terms will depend on a number of factors, including our financial condition, results of operations and cash flows, general market conditions for companies within the telecommunications sector and economic, political and other conditions in India. Furthermore, our future leverage may constrain our ability to raise incremental financing or the cost at which we may be able to raise such financing. Any inability by us to procure adequate amounts and types of equity or debt financing could have a material adverse effect on our business, financial condition, prospects and results of operations.

Our business depends on the availability of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost.

Our Towers require an adequate and cost-effective supply of electrical power to function effectively. We principally depend on power supplied by regional and local electricity transmission grids operated by the various state electricity providers. In the non-urban areas where power supply is erratic, in order to ensure that the power supply to our Towers is constant and uninterrupted, we also rely on batteries and diesel generator sets, the latter of which require diesel fuel and may require regulatory approval. A lack of adequate power supply and/or power outages could result in significant downtime at our Towers, resulting in service level credits becoming due to our customers.

Our operating costs will increase if the price at which we purchase electrical power from the state electricity providers or the price of fuel increases. There is no assurance that we will have an adequate or cost effective supply of electrical power at our sites or fuel for diesel generator sets, the lack of which could disrupt our customers' businesses, adversely affecting our business and results of operations. Under the Master Services Agreement, we currently pass through additional expenses from electrical power and fuel to our customers. If our estimates of fuel and electricity requirements are affected by external factors, and we incur additional expenses which we are unable to pass through to our customers, we may suffer an adverse impact on our business, financial condition, prospects and results of operations. In the event of a material price increase or significant interruption or limitation in the supply of fuel from our current suppliers, we may need to procure fuel from other sources. However, there can be no assurance that we will be able to do so at commercially acceptable costs or at all, which could have a material adverse effect on our business, financial condition, prospects and results of operations.

Our significant indebtedness could adversely affect our financial health, and the restrictions imposed by the terms of our current or future debt instruments may limit our ability to plan for or respond to changes in our business.

We have a substantial amount of indebtedness. As of March 31, 2021, we had Rs. 182 billion of external borrowings and Rs. 250 billion of shareholder loans. Although the terms of the shareholder loans and the undertakings given by the shareholders thereto restrict the shareholders from calling an event of default, the terms of external borrowings contemplate events of default. If we are unable to refinance or renegotiate our debt, we cannot guarantee that we will be able to generate enough cash flows from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In such an event, we could face substantial liquidity issues and might be required to issue equity securities or securities convertible into equity securities, or sell some of our assets to meet our debt payment obligations. Failure to refinance indebtedness when required could result in a default under such indebtedness and materially restrict our ability to pay amounts due on the Notes.

In addition, as a result of our substantial indebtedness:

- we may be more vulnerable to general adverse economic and industry conditions;

- we may have more difficulty satisfying our obligations with respect to the Notes;
- we are or will be required to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our debt, thereby reducing the available cash flows to fund other projects, including certain discretionary investments;
- we may have limited flexibility in planning for, or reacting to, changes in our business and in the industry;
- we may have a competitive disadvantage relative to other companies in our industry with less debt; and
- we may be limited in our ability to take advantage of strategic business opportunities, including wireless infrastructure development and mergers and acquisitions.

Furthermore, we may enter into additional financing agreements that contain certain restrictive covenants, events of default and notice provisions that limit our ability to undertake certain types of transactions. Such covenants may include restrictions on creating security over our existing and future assets, incurring additional indebtedness or undertaking any guarantee obligations, making certain restricted payments, investing in equity interests or purchasing assets, other than in ordinary course of our business, unless certain conditions are satisfied, selling or disposing assets, materially altering our capital structure, management, or constitution, changing our scope of business or expanding our existing business and entering into certain corporate transactions such as reorganizations, amalgamations and mergers. These agreements may require us to maintain certain financial ratios such as debt service coverage ratios and disclose, from time to time, all of our material business transactions to the lenders and obtain consents from lenders for certain actions, including effecting any changes in our capital structure or shareholding pattern.

If we fail to meet our debt service obligations on time or breach covenants under future financing agreements, or fail to receive approvals from lenders to undertake certain transactions, such lenders could declare us to be in default under the terms of such agreements, accelerate the maturity of our obligations or take over other security made available to such lenders. Furthermore, certain of such future financing arrangements may contain cross-default or cross-acceleration provisions, which could automatically trigger defaults under our other financing arrangements. We may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments, which may adversely affect our business, financial condition, prospects and results of operations.

We may be unable to obtain, renew or maintain the required statutory and regulatory permits and approvals to operate our Towers.

The primary law governing telecommunications in India is the Indian Telegraph Act, 1885, including the rules, regulations, orders, and directions issued thereunder. The DoT issued guidelines to the state governments effective from August 1, 2013, which were advisory in nature and dealt with the installation of mobile towers (“**2013 Guidelines**”). These guidelines aimed to streamline the process and documents required to be submitted by Infrastructure Provider (“**IP-1**”) companies and to enable a single window clearance for grant of permit for installation of towers. Subsequently, the central government introduced the Indian Telegraph Right of Way Rules, 2016 (“**ROW Rules**”) dated November 15, 2016, under the Indian Telegraph Act, 1885 which regulate the procedure for the establishment and maintenance of underground and over ground telegraph infrastructure by any licensee (including Infrastructure Providers which establish towers). Under the ROW Rules, an application is made to the appropriate authority for establishing over ground telegraph infrastructure on immovable property vested, in or under the control or management of such appropriate authority, along with the underlying documents, approvals and certificates specified under the ROW Rules and by the appropriate authority. Further, permits and approvals for the tower sites are also governed by the state specific policies and local laws, including any municipal laws or building laws, formulated by such states. The Indian Telegraph Act, 1885, 2013 Guidelines, ROW Rules, state specific tower policies and municipal laws are collectively referred to as “**Tower Legislations**”.

We are required to obtain and maintain certain no objection certificates, permits, approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes, including Tower Legislations, regulated by various regulatory and governmental authorities for constructing and operating the Tower Sites, constructed on leasehold land (private or government) or freehold property. For instance, if we and/or our third-party contractor(s) fail to obtain, renew or maintain them, or fails to submit the underlying approvals or certificates required to be submitted along with the application for grant of tower approvals, or install the towers at specified locations, where such installation is restricted or prohibited, or if there is any delay in

obtaining or renewing the tower permits, then such non-compliance may lead to removal, seizure or demolition of tower sites and our business, financial condition, prospects and results of operations could be materially and adversely affected.

Further, few of the state policies governing installation and erection of tower sites in respective states are not consistent with the requirements and provisions of 2013 Guidelines and ROW Rules, issued by the central government. Certain provisions of state specific laws, rules and regulations governing installation of tower sites are inconsistent with the central laws and their interpretation and application remain uncertain. Further, provisions governing our Towers also differ amongst different states. Any non-compliance with the central and state rules and regulations, governing our Towers, may adversely impact our business, financial condition, prospects and results of operations. Further, any changes in current or future regulations may provide for stringent compliances, tower sites or re-registration of tower sites with revised and incremental fee structures, which may have an adverse impact on the revenue growth and our business.

Furthermore, these permits, approvals, licenses, registrations and permissions, including the IP-1 registration certificate, are subject to several conditions, and we might not be able to meet such conditions or be able to prove compliance with such conditions to the statutory authorities. This could lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of our operations and may materially and adversely affect our business, financial condition, prospects and results of operations.

As public concern over tower proliferation has grown in recent years and if such concern continues to rise, local authorities may restrict telecommunications tower construction, delay granting permits or impose technical standards on the construction and/or operation of telecommunications towers. Such policies, if adopted by local authorities, may materially and adversely affect the associated timing or cost of construction or operation of the towers and additional regulations may increase delays, or result in additional costs to us, or that prevent completion of construction of the towers in certain locations. Any failure to complete tower construction, modifications, additions of new antennas to a site, or site upgrades which could harm our ability to add additional site space or increased costs in operating or developing our Towers could have an adverse effect on our business, financial condition, prospects and results of operations.

Necessary licenses, approvals and permits may not be fully transferred to us

Our tower infrastructure business was transferred from RJIL to us by way of a slump sale on a going concern basis with effect from close of business hours on March 31, 2019 (the “**Business Transfer**”). The Business Transfer is subject to several risks arising in relation to the transfer of the relevant licenses, approvals and permits from various regulatory authorities, including relevant local or municipal authorities and environmental approvals from the pollution control boards.

While we will continue to operate the towers under the existing licenses, approvals and permits, there can be no assurance that we will be able to continue to do so. Furthermore, the relevant authority may levy penalties on us for not having obtained or maintained permits, which may be applicable until such times as the transfers of these permits are completed. If the necessary licenses, approvals and permits are not fully transferred to us, our business, financial condition, prospects and results of operations may be adversely affected.

New technologies could make our Towers less desirable to potential sharers.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks could reduce the use and need for tower-based wireless services transmission and reception and have the effect of decreasing demand for tower space. Examples of such technologies might include spectrally efficient technologies which could potentially relieve some network capacity problems, thereby reducing the demand for tower-based antenna space, or complementary VoIP access technologies that could be used to offload a portion of subscriber traffic away from the traditional tower-based networks, which would reduce the need for telecommunications operators to add more tower-based antenna equipment at certain tower sites.

Moreover, the emergence of alternative technologies could reduce the need for tower-based wireless services transmission and reception. For example, the growth in delivery of wireless communication, radio and video services by direct broadcast satellites could materially and adversely affect demand for our antenna space.

Finally, certain alternative technologies could cause radio interference with older generation tower-based wireless services transmission and reception. As a result, the development and implementation of alternative

technologies to any significant degree could have a material adverse effect on our business, financial condition, prospects and results of operations.

We may fail to comply with safety, health and environmental laws and regulations in India applicable to our business or we may be subject to adverse changes in applicable laws and regulations.

Our business is subject to environmental, social, health and safety regulations and standards and various labor, workplace and related laws and regulations in India, including obtaining the authorization for handling, use, storage, generation, collection, disposal, treatment, transfer, emission and remediation of, and exposure to, hazardous and other wastes, monitoring of the electromagnetic field radiation from telecommunication equipment installed on tower sites, as regulated by the Department of Telecommunications of India, and procurement of consent to establish and operate the diesel generator sets installed at tower sites for energizing tower sites, from relevant State Pollution Control Boards and Pollution Control Committees of India.

As the owner, lessee or operator of many thousands of real estate sites underlying our Towers, we may be liable for substantial costs of remediating soil and groundwater contaminated by hazardous materials, without regard to whether we knew of or were responsible for the contamination. Many of these laws and regulations contain information reporting and record keeping requirements. We cannot assure you that we are at all times in full compliance with all environmental requirements. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The requirements of these laws and regulations are complex, and any adverse changes in, or amendments to, these standards or laws and regulations could further regulate our business and could require us to incur additional, unanticipated expenses to comply with these changed standards which would adversely impact our operations. If we or contractors appointed by us fail to meet safety, health, social and environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil and criminal proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us and may also result in removal, seizure or demolition of tower sites. Penalties imposed by regulatory authorities on us or third parties upon whom we depend may also disrupt our business and operations.

We might become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters, including those related to injuries or fatalities or damage to properties. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could materially and adversely affect our business, financial condition, prospects and results of operations.

We may experience local community opposition to some of our Tower sites.

We may experience local community opposition to our existing sites or the construction of new Tower sites for various reasons, including concerns about alleged health risks. For example, residential communities or societies might take protectionist measures, refuse to allow towers near certain facilities such as schools or hospitals and/or demand higher rents for our Towers, which may result in fewer sites being available for towers and/or higher operational expenses. Various cases have been and may be filed against us that pertain to issues of radiation emission causing health hazards to the people in the vicinity of the towers, and relief sought in such cases may include removal or demolition of the towers due to potential health hazards. As a result of such local community opposition, we could be required by the local authorities to dismantle and relocate certain towers or pay larger amounts of rent. If we are required to relocate a material number of our Towers and cannot locate replacement sites that are acceptable to our customers or incur higher operating expenses due to increased site rental fees, it could materially and adversely affect our revenue and cash flow, which in turn could have a material adverse effect on our business, financial condition, prospects and results of operations.

We are exposed to information technology and cyber security risks and disruptions in our disaster recovery systems or business continuity planning could limit our ability to operate the business effectively.

As our businesses and operations rely heavily on information technology, we are exposed to risks of cyber security threats, data privacy breaches as well as other network security and stability risks. The scale and level of sophistication of cyber security threats have increased especially in recent times. We rely on a number of vendors to implement and maintain our information technology systems. Any failure of these vendors to provide adequate and timely software and hardware support could have a material adverse effect on our systems. Disruptions to our information technology systems, whether resulting from cyber-attacks, a failure by a key vendor or otherwise, that can cause interruptions to the operation of the Towers and network and services provided to our customers end-customers, may result in litigation and/or regulatory fines and penalties.

In addition, in the event that a significant number of our management personnel are unavailable in the event of a disaster, our ability to effectively conduct business could be adversely affected. Furthermore, any failure or deviation of our disaster recovery systems or business continuity plans to meet the relevant regulatory standards, rules or laws in India may result in additional costs in order to upgrade such systems and/or the imposition of sanctions, including financial penalties, upon us, which may have a material adverse effect on our business, financial condition, prospects and results of operations.

While we have established appropriate policies and frameworks to minimize the disruptions to our business operations, there can be no assurance that such policies and frameworks are sufficient or that our operations, financial condition and financial performance would not be adversely affected by such cyber security threats, data privacy breaches as well as other network security and stability risks.

We rely on key management personnel, and our business may be adversely affected by any inability to recruit, train, retain and motivate key employees.

Our continued success is dependent, to a large extent, on our ability to retain the services of our key management and operational personnel. If we are unable to attract or retain our managerial and technical personnel, our business and operations may be adversely affected. Attracting and retaining scarce top-quality managerial talent has become a serious challenge for companies in India. This is particularly true in our business sector, which is developing at a rapid pace with new participants entering the market. As competition for qualified senior management personnel is intense, we may not be able to retain our existing senior management or attract and retain new senior management in the future. Any loss of our senior management personnel or key employees could adversely affect our business, financial condition, prospects and results of operations.

Demand for telecommunications tower infrastructure in India may decrease.

We actively market our Towers to potential customers to improve utilization, reduce dependence on RJIL and increase revenue from operations and cash flows. As our business consists of building, acquiring, owning and operating telecommunications towers and providing access to these towers primarily to wireless telecommunications service providers, factors adversely affecting the demand for telecommunications towers in India in general would adversely affect our ability to attract potential customers in the market. Such factors could include:

- a decrease in consumer demand for wireless telecommunications services due to adverse general economic conditions or other factors;
- a deterioration in the financial condition of wireless telecommunications service providers generally due to declining tariffs, media convergence or other factors or their access to capital;
- the ability and willingness of wireless telecommunications service providers to maintain or increase capital expenditure;
- a decrease in the overall growth rate of wireless telecommunications or of a particular segment of the wireless telecommunications sector;
- the development and implementation of new technologies that enhance the efficiency of telecommunications networks;
- adverse changes in telecommunications regulations;
- unstable infrastructure, including frequent power failures, which may affect operations;
- delays or changes in the deployment of 5G or other telecommunications technologies;
- delays in regulatory changes that would permit tower infrastructure providers to use towers for other revenue-generating purposes;
- changing strategies of wireless telecommunications service providers with respect to owning or sharing towers;
- adverse developments with regard to increase in stamp duty rates on lease agreements, zoning, environmental, health and other government regulations; and
- technological changes including alternatives to wireless communication such as video conferencing.

Our business, proposed capital expenditure and strategic plans are based on the assumption that the demand for wireless telecommunications or digital services in India will grow. If the market does not grow or grows at a

slower rate than we expect, or the behavior of market players does not meet our current expectations, the demand for our Towers will be adversely affected, which would affect our ability to attract potential customers in order to increase our revenue from operations and cash flows.

Perceived health risks from radio emissions could materially and adversely affect our business, especially if these perceived risks are substantiated.

Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites, which could materially restrict our ability to expand our business.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial amount of study by the scientific community in recent years, and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In India, petitions have been filed against the installation of communications towers near residential areas owing to concerns relating to the adverse effects of electromagnetic radiation. If a scientific study or court decision results in findings that radio frequency emissions pose health risks to consumers, it could negatively impact the market for wireless communications services, which could adversely affect our business, financial condition, prospects and results of operations.

We face changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws.

The statutory, regulatory (including the Indian taxation regime) and policy environment in which we operate is evolving and subject to change. The infrastructure sector in India, particularly the telecommunications sector, is highly regulated. The regulatory framework, which consists of regulations and directives issued by government authorities, has changed significantly in recent years. There can be no assurance that we will be able to respond in a timely and effective manner to the changes taking place in the telecommunications sector and any future regulatory changes.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our business both currently and in the future.

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us. The Government of India and state governments in India could implement new regulations, guidelines and policies which will require us to obtain additional approvals and licenses or impose onerous requirements and conditions on our operations including obligations on us as a significant player. Any such changes and the related uncertainties with respect to their implementation may adversely affect our business, financial condition, prospects and results of operations.

The Income Tax Department of GoI had raised certain objections to the transfer of the tower infrastructure business from RJIL to us.

The Income Tax Department had raised certain objections to the Business Transfer with the National Company Law Tribunal, Ahmedabad Bench (“NCLT”), including conversion of preference shares into loans by cancelling such shares. The Business Transfer was however approved by the NCLT on March 20, 2019. The Income Tax Department alleged that the NCLT had not adjudicated on their objections before approving the Business Transfer and filed appeals before the National Company Law Appellate Tribunal, New Delhi (“NCLAT”). While the NCLAT has dismissed the appeals of the Income Tax Department vide its order dated December 20, 2019, we cannot guarantee that the Income Tax Department would not appeal against the order of the NCLAT in the Supreme Court of India and the likely outcome of any such appeal with the Supreme Court of India. In the event of any adverse ruling by the Supreme Court of India, the Business Transfer may need to be wound up, and our business, financial condition, prospects and results of operations may be adversely and materially impacted.

The Master Services Agreement and the O&M Agreement can be amended without the consent of the Noteholders.

The Master Services Agreement and the O&M Agreement are material contracts for our business. Although substantial amendments to the agreements require the consent of the lenders of the Rupee Bank Loans, the agreements can be amended without the prior consent of the Noteholders. Any material changes to the terms of these agreements may adversely affect our business, financial condition, prospects and results of operations.

We may be unable to extend our leases, or renew on commercially viable terms, or protect our rights to the land under our Towers.

Our site portfolio consists primarily of towers constructed on land and on the building's roofs, that we have leased under long-term lease and license agreements from private parties and government institutions. More than 75% of our Towers are ground based and all of our ground-based Towers are on leased land or buildings that we do not own.

For various reasons, landowners may not want to, or may not be able to, renew their leasing arrangements with us, or they may lose their rights to the land or they may transfer their land interests to third parties, which could affect our ability to renew such arrangements on commercially viable terms. We may also experience disputes with landowners regarding the terms of our lease agreement for our Towers, which can affect our ability to access and operate the Towers. If we cannot extend these leases or if the lease is terminated by the lessor, we will be required to dismantle or relocate these towers and may incur significant expenses in connection with such relocation. There can be no assurance that we will be able to find a suitable substitute location for installation of the towers or obtain the necessary regulatory approvals for such substitute location. Although under the service agreements our customers are required to pay service fees even during the period of relocation of towers, our cash flows derived from such towers may be diminished or we may not be able to find a location suitable for our customers, which may have a material adverse effect on our business, financial condition, prospects and results of operations.

Our insurance policies may not provide adequate protection against various risks associated with our operations.

Our assets are subject to various risks that we may not be insured against, adequately or at all, including:

- changes in governmental and regulatory policies;
- shortages of, or adverse price movement for, construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of the tower assets and other equipment;
- improper installation or operation of the tower assets and other equipment;
- labor disturbances;
- public agitations/demonstrations;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including flooding, cyclones, droughts, tsunamis and landslides; and
- adverse developments in the overall economic environment in India.

Our insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent we suffer damage or loss which is not covered by insurance, or exceed our insurance coverage, such damage or loss would have to be borne by us. Material losses in excess of insurance proceeds (if any at all) could materially and adversely affect our business, financial condition, prospects and results of operations may be adversely affected.

We have debt obligations with floating interest rates

As of March 31, 2021, approximately Rs. 183,475 million of our indebtedness were subject to floating interest rates. Changes in economic conditions could result in higher interest rates, thereby increasing our interest

expense and reducing funds available for operations or other purposes. Although we may use interest rate protection agreements from time to time to reduce our exposure to interest rate fluctuations in some cases, we may not elect or have the ability to implement hedges or, if we do implement them, there can be no assurance that such agreements will achieve the desired effect. As such, interest rate fluctuations may have an adverse effect on our business, financial condition, prospects and results of operations.

We depend on various third parties to undertake certain activities in relation to the operation and maintenance and construction of towers.

Our results of operations and performance depends on factors affecting the ability of RPPMSL to carry out its operations, as we rely on them to operate, maintain and manage our Towers and provide other related services. RPPMSL is responsible for ensuring that we meet all the service level requirements under the Master Services Agreement in addition to being responsible for meeting the service level obligations of RJIL and other third party tenants. While we believe we have adequate safe-guards in our O&M Agreement, there can be no assurance that we would not be exposed to any risks or be held liable for any acts or omissions by RPPMSL or its sub-contractors. In addition, RPPMSL performs work for establishment of passive infrastructure for towers, such as diesel generators and electrical and civil works, and for related procurement, erection, installation, establishment, inspection, and testing work at our Towers. RPPMSL can deploy manpower and staff as may be required for performance of its responsibilities and may sub-contract any of the work to be performed by it. Any delay, default or unsatisfactory performance by PDPPSL or sub-contractors could materially and adversely affect our ability to effectively construct and operate our Towers.

Our results of operations and performance depends on factors affecting the ability of RPPMSL to carry out its operations. If RPPMSL fails to perform its obligations satisfactorily or within the prescribed time periods or budgets, or terminates its arrangements with us, we may be unable to operate the Towers. If this occurs, we may be required to incur additional cost or time to operate and maintain the Towers in a manner consistent with the applicable standards, which could adversely affect our business, financial condition, prospects and results of operation.

Our ability to maintain and expand our business may be affected by disruption of supplies and services from our principal suppliers.

RPPMSL depends on equipment and other supplies and services from vendors and third-party providers to maintain and replace key components of our Towers and to operate our business. If we or RPPMSL are unable to obtain adequate supplies or services in a timely manner or on commercially acceptable terms, or if there are significant increases in the cost of such supplies or services, our ability to maintain and expand our tower sites may be disrupted, and our business, financial condition, prospects and results of operations may be adversely affected.

We may become party to disputes and legal and regulatory studies, reviews or proceedings in connection with our business activities.

In the ordinary course of business, we may be named as a defendant or an interested party in legal actions, claims and disputes in connection with our business activities. We may also be subject to regulatory studies, reviews or proceedings in connection with our business activities. Any such litigation, dispute or proceedings, as well as lawsuits initiated by us for the collection of payables, may be costly and may divert management attention and other resources away from the business, which could have a material adverse effect on our business, financial condition, prospects and results of operations.

Material litigation could have adverse reputational and financial consequences for us and we may not have established adequate provisions for any potential losses associated with litigation not otherwise covered by insurance, which could have a material adverse effect on our business, financial condition, prospects and results of operations. Additionally, any negative outcome with respect to any legal actions or regulatory studies, reviews or proceedings in which we are involved in the future could have a material adverse effect on our business, financial condition, prospects and results of operations.

Our Towers may be affected by natural disasters and other unforeseen damage for which our insurance may not provide adequate coverage.

Our Towers are located across India and are subject to risks associated with natural disasters, such as windstorms, floods and earthquakes, as well as other unforeseen damage. Any damage or destruction to our

Towers as a result of these or other risks would impact our ability to provide services to our customers. While we maintain insurance coverage for natural disasters, our insurance may not be adequate. While we carry business interruption insurance, such insurance may not adequately cover all of our lost revenues, including potential revenues from new sharers that could have been added to our Towers but for the damage. If we are unable to provide services to our customers as a result of damage to our Towers, it could lead to customer loss, resulting in a corresponding material adverse effect on our business, financial condition, prospects and results of operations.

The collapse of a site may result in property damage or injury to, or the death of, members of the public, which may adversely affect our financial condition and reputation.

Our Towers are large structures with significant weight. If a Tower, or part of a Tower, were to collapse, this could result in property damage or injury or death of members of the public, our employees, subcontractors, customers or any of their personnel. A collapse resulting from a non-compliance of legal requirements and permits by us could result in us being subject to civil damages and criminal penalties under various local laws. It could also have a negative impact on our reputation and may affect our ability to attract businesses or recruit employees or may increase the risk of local community opposition to our existing tower sites or the construction of new tower sites. The consequences we may suffer due to any of the foregoing could have a material adverse effect on our business, financial condition, prospects and results of operations.

Third party statistical and financial data in this Offering Memorandum may be incomplete or unreliable.

We have not independently verified the data in this Offering Memorandum derived from industry publications and other third party sources and therefore cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, in discussions of matters relating to India, its economy and our industry in this Offering Memorandum, the statistical and other data upon which such discussions are based may be incomplete or unreliable.

We currently do not have the intellectual property rights to our logo and we may be unable to secure the rights in the future.

We are in the process of making an application for registration of our logo, as appearing on the cover page of this Offering Memorandum, in India and as of the date of this Offering Memorandum, we cannot claim ownership over the trademark. There is no guarantee that our application will be approved and we will be granted ownership over the trademark. If we fail to protect our intellectual property rights over our logo, our business, financial condition, prospects and results of operations may be adversely affected.

We are not a listed company and therefore not subject to the disclosure and corporate governance requirements of listed companies.

We are a privately held company, and our shares are not listed and traded on the NSE or any other stock exchanges. As such, we are not subject to, and the Noteholders do not have the benefit of, the periodic disclosure and corporate governance requirements that are imposed on companies that have publicly listed shares on the NSE or other stock exchanges.

Risks Relating to India

A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, high inflation for a prolonged period, a downgrading of India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, prospects and results of operations.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A change in the economic outlook could adversely affect the Indian government's policy towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, prospects and results of operations.

Furthermore, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of goods and services tax; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. As per the master directions issued by the Reserve Bank of India on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 as amended from time to time, overseas borrowing by any entity eligible to receive foreign direct investment, which includes us, is permitted subject to the conditions and limits contained therein. Such regulatory restrictions limit our financing sources for ongoing expansion plans or acquisitions and other strategic transactions, and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have a material adverse impact on our business, financial condition, prospects and results of operations.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

On June 1, 2020, Moody's downgraded India's sovereign foreign currency and local currency long term issuer ratings to "Baa3" from "Baa2" while maintaining the "negative outlook". There is no assurance that India's credit ratings will not be further downgraded in the future. Any adverse revisions to India's sovereign rating or credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures, and the trading price of the Notes.

Political instability or changes in the economic policies by the Indian government could impact our financial results and prospects.

We are incorporated in India and derive all of our revenues from operations in India. Consequently, our performance may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The government of India has traditionally exercised, and continues to exercise, significant influence over many aspects of the Indian economy.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. However, there can be no assurance that such policies will continue and any significant change in government policies in the future could affect our business and economic conditions in India in general. As economic liberalization policies have been a major force in encouraging private funding in the Indian economy, any change in these policies could have a significant impact on business and economic conditions in India. In addition, any geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which in turn may negatively affect our business, financial condition, prospects and results of operations.

In November 2016, the Government of India demonetized Rs. 1,000 and Rs. 500 denomination currency notes with effect from November 9, 2016 and launched the revised Rs. 500 denomination currency notes and introduced the new Rs. 2,000 currency notes pursuant to the Ministry of Finance's notification no. S.O. 3407 (E)

dated November 8, 2016 and other circulars and clarifications issued thereafter by the Government of India and the RBI. While the adverse impact of this demonetization was short-lived and there were minimal short-term effects on our day-to-day business, the Government of India may in the future choose to take similar economic and monetary measures that may have an effect on India's economic growth, credit demand, credit quality, liquidity and interest rates which may materially and adversely affect our business, financial condition, prospects and results of operations.

India is exposed to terrorist attacks, civil unrest and other acts of violence or war involving other countries.

India has experienced communal disturbances, terrorist attacks, civil unrest, general strikes, riots and other acts of violence or war in the past. Hostilities and tensions may occur in the future and on a wider scale. These events may negatively affect the economics conditions in India and may result in a loss of business confidence, make telecommunication services more difficult and ultimately adversely affect our business, financial condition, prospects and results of operations.

India is vulnerable to natural disasters.

India has experienced natural calamities, such as tsunamis, floods, droughts and earthquakes in the past few years. The extent and severity of these natural disasters determine their impact on the Indian economy. Unforeseen circumstances of below normal rainfall and other natural calamities could also have a negative impact on the Indian economy. Because the Towers are located in India, our operations could be interrupted or delayed as a result of a natural disaster in India, which could affect our business, financial condition, prospects and results of operations.

We face legal uncertainties as laws, rules and regulations in India may change.

Our business, financial condition, prospects and results of operations could be materially and adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. The Government of India or state governments might implement new regulations and policies which will require us to obtain additional approvals and licenses from governmental and other regulatory bodies or impose onerous requirements and conditions on our operations. We cannot predict the terms of any such new regulations and policies.

The infrastructure in India can be unreliable.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition, prospects and results of operations.

We may not be able to pass on the increase in costs on to our customers.

Inflation rates in India have been stable in recent years. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce costs or pass the increased costs on to our customers by increasing prices, and our business, financial condition, prospects and results of operations may therefore be adversely affected.

We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act of India, 2002, as amended ("Competition Act"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which (i) directly or indirectly determines the purchase or sale prices; (ii) limits or controls production, supply, markets, technical development, investment or provision of services; (iii) shares the market or source of production or provision of services by way of allocation of geographical area of market, or type of goods or services, or number of customers in the market or any other

similar way; or (iv) directly or indirectly results in bid rigging or collusive bidding, is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India (“CCI”), has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements we entered into at this stage. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, prospects and results of operations.

The Insolvency and Bankruptcy Code in India may adversely affect our ability to pay back creditors.

The Insolvency and Bankruptcy Code of India, 2016, as amended (“**Bankruptcy Code**”) provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial service providers). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that facilitate a formal and timebound insolvency resolution and liquidation process. The Bankruptcy Code enables a creditor to initiate a corporate insolvency resolution process (“**CIRP**”) against the debtor, including on default in payment of debt by the debtor. Furthermore, in the event the petition for the CIRP is admitted by the National Company Law Tribunal against the debtor, the moratorium provisions under the Bankruptcy Code prohibits, among other things, the creation of encumbrances, disposing of assets of the debtor, any action to enforce the security interest of the debtor and the institution or continuation of legal proceedings against the debtor.

By a notification in March 2020, the Government of India has increased the limit for initiating corporate insolvency resolution process from Rs. 100,000 to Rs. 10,000,000 and, in view of the COVID-19 pandemic, pursuant to the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020, disallowed the filing of any application for initiation of CIRP against a corporate debtor under the Bankruptcy Code, in relation to default arising on or after March 25, 2020, for a period of six months which was extended till March 25, 2021.

If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

Investors may not be able to enforce a judgment of a foreign court against our Company, our directors or our key management, except by way of a suit in India on such judgment.

Our Company is incorporated under the laws of India. All of our assets are located in India and we may, from time to time, invest in more tower assets in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment to which this section applies shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such a presumption may be displaced by proving want of jurisdiction.

India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However,

Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards even if such an award is enforceable as a decree or judgment. Furthermore, the execution of a foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code.

The United Kingdom, Singapore, Hong Kong, and the United Arab Emirates (among others) have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be brought into and filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws.

In addition, any judgment awarding damages in a foreign currency would be converted into Indian Rupees on the date of the judgment and not the date of payment. A suit instituted in an Indian court may not be disposed of in a timely manner and could be subject to considerable delay.

Changes in the taxation system in India could adversely affect our business.

Our operations, profitability and cash flows could be adversely affected by any unfavorable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax (“GST”), and/or by any unfavorable interpretation taken by the relevant taxation authorities and/or courts and tribunals. If such amendments are brought about in the statutory laws relating to income tax and/or GST, it could adversely affect our business, financial condition, prospects and results of operations.

The general anti-avoidance rules (“GAAR”), effective from April 1, 2017, are intended to catch arrangements declared as “impermissible avoidance arrangements”. An impermissible avoidance arrangement has been defined under the Income Tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights or obligations which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The Income Tax Act, 1961 provides that if the main purpose of any part or step of the arrangement is to obtain tax benefit, the entire arrangement shall be presumed to have been entered into with the purpose of obtaining a tax benefit, unless it is proved to the contrary by the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. In the absence of sufficient judicial precedents interpreting GAAR provisions, the effects on us cannot be determined yet and could adversely affect our business and financial performance.

Furthermore, the tax rates applicable to us may be amended from time to time by the Government of India.

The impact that these amendments may have on our business and operations or on the industry in which we operate is uncertain. Furthermore, any such amendments could adversely affect our business, financial condition, prospects and results of operations.

Land title in India can be uncertain.

In India, titles or rights to land can be unclear, due to the fact that (i) land ownership in India can be established through various documents (such as sale deeds, record of rights, property tax receipts and government survey documents) and such documents can have conflicting information regarding ownership as to the same land, (ii) land ownership records are poorly maintained, (iii) title to land in India is often fragmented,

and in many cases, land may have multiple owners and (iv) title to land may suffer from irregularities, such as non-execution or non-registration of conveyance deeds or inadequate stamping, and may be subject to unknown encumbrances. As such, we, or the owners of the lands where our Towers are located, may not have proper title to the lands, and we may not be able to identify or correct defects or irregularities in the title. If challenges arise as to the title of the lands where our Towers are located, and if such challenges are not resolved in our favor or in the favor of our landlords, we may lose our rights to the lands and may need to remove, relocate or demolish our Towers on such lands, which may adversely affect our business, financial condition, prospects and results of operations.

Significant differences could exist between Ind-AS and other accounting principles, such as Indian GAAP and IFRS.

The audited financial statements included in this Offering Memorandum have been prepared in accordance with Ind-AS. The impact of Indian GAAP or IFRS on such financial information included in this Offering Memorandum has not been quantified and the audited financial statements have been prepared without reconciliation to any other body of accounting principles. Each of Indian GAAP and IFRS differs in significant respects from Ind-AS. Accordingly, the degree to which the audited financial statements included in this Offering Memorandum will provide meaningful information is dependent on the reader's level of familiarity with the relevant accounting practices. Any reliance by persons not familiar with such accounting practices on the financial disclosures presented in this Offering Memorandum should accordingly be limited. See "Summary of Significant Differences Between IFRS and Ind-AS."

Risks Relating to the Notes and Security

We may not be able to meet our obligations to pay or redeem the Notes.

In certain circumstances, Noteholders may require us to redeem all or a portion of the Notes and we would be required to pay all amounts then due under the Notes. In particular, upon a Change of Control Triggering Event (as defined in the Terms and Conditions of the Notes), the holders of the Notes may require us to redeem their Notes and following an acceleration of the Notes upon an event of default, we would be required to pay all amounts then due under the Notes, which we may not be able to meet. We may not be able to make required payments in connection with the Notes if the requisite regulatory approval is not received or if we do not have sufficient cash flows for those payments.

The Notes contain covenants limiting our financial and operating flexibility.

The Terms and Conditions of the Notes contain covenants that will restrict our ability to, among other things:

- create liens;
- incur indebtedness; and
- enter into new businesses.

These limitations are subject to certain exceptions and qualifications described in "Terms and Conditions of the Notes".

These covenants could limit our ability to pursue our growth plans, restrict our flexibility in planning for, or reacting to, changes in our business and industry and increase our vulnerability to general adverse economic and industry conditions.

Any default under the covenants contained in the Terms and Conditions of the Notes may lead to an event of default under the Notes and may lead to cross acceleration under our other indebtedness. We may not be able to pay any amounts due to holders of the Notes in the event of any such default and any such default may significantly impair our ability to satisfy our obligations under the Notes.

Since the Global Certificates are held by or on behalf of the relevant Clearing Systems, investors will have to rely on the relevant Clearing System's procedures for transfer, payment and communication with us.

The Notes will be represented by the Global Certificates except in certain limited circumstances described under "Global Certificates". The Global Certificates will be deposited with, and registered in the name of, a

nominee of DTC. Except in certain limited circumstances set out in the Global Certificates and described under “*Global Certificates*”, investors will not be entitled to receive definitive certificates. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by the Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. We will discharge our payment obligations under the Notes by making payments to or to the order of the relevant Clearing System for distribution to the account holders. A holder of a beneficial interest in any of the Global Certificates must rely on the procedures of the relevant Clearing System to receive payments under the Notes.

We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. Holders of beneficial interests in the Global Certificates will not have a direct right under the Global Certificates to take enforcement action against us in the event of a default under the Notes but will have to rely upon the Trustee to enforce their rights under the Trust Deed.

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be limited.

The Notes are new securities for which there is no existing trading market. Prior to this offering, there has been no trading market in the Notes. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and our financial condition, performance and prospects, as well as recommendations of securities analysts. We have been informed by the Joint Bookrunners that they may make a market in the Notes after this offering has been completed. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Joint Bookrunners may be subject to limits imposed by applicable law. As a result, we cannot assure you that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, you may not be able to sell the Notes or may have to sell them at a lower price.

The ratings and outlook of the Notes and us may be downgraded or withdrawn.

The Notes are rated “BBB-” by S&P Global Ratings and “BBB-” by Fitch Ratings, respectively. The ratings represent the opinions of the rating agencies and their assessment of the ability of our Company to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating or outlook is not a recommendation to buy, sell or hold securities. The ratings or outlook can be lowered or withdrawn at any time. We are not obligated to inform the holders of the Notes if the ratings or outlook are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price and liquidity of the Notes and our ability to access the debt capital markets.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. In recent years, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institute proceedings on behalf of such holders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may adversely impact when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and in any such event, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such steps and/or actions and/or institute proceedings directly.

The Notes are subject to restrictions on resales and transfers, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. As a result, investors may not resell or transfer the Notes unless such sale or transfer is exempt from the registration requirements of the Securities Act and applicable state securities laws or in transactions that have been registered under the Securities Act.

Modifications of, or any waivers under, the Trust Deed and the Notes could be adverse to the interests of Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes, including holders of the Notes who did not attend and vote at the relevant meeting and holders of the Notes who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of holders of the Notes, agree to (i) any modification of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed that, in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorization of any breach or proposed breach, of any of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the holders of the Notes.

The Trust Deed will also contain provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the holders of the Notes, to the substitution of any other company in place of us, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes; provided, however, that immediately after such substitution, we must deliver to the Trustee an opinion of counsel of recognized standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognize gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur.

Approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be, is required for repayment of the Notes prior to maturity.

Under the ECB Guidelines, any repayment of an external commercial borrowing, such as the Notes, prior to its stated maturity may require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be. Therefore, any repayment of the Notes prior to maturity as a result of early redemption pursuant to the Terms and Conditions of the Notes (Condition 6.2 (*Redemption for Taxation Reasons*) or Condition 6.3 (*Change of Control Put Option*) or Condition 6.4 (*Redemption at the Option of the Issuer*)) would require the prior approval of the RBI or the designated authorized dealer Category 1 bank, as the case may be. There can be no assurance that such approval would be obtained in a timely manner or at all. In the absence of such an approval, we may not be able to redeem all or any of the Notes prior to maturity.

Remittances of funds outside India pursuant to indemnification by us in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by us pursuant to indemnity clauses under the Terms and Conditions of the Notes, the Trust Deed or any other agreements in relation to the Notes requires prior RBI approval. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and we can give no assurance that we will be able to obtain such approvals.

The right of holders of the Notes to receive payments on the Notes is junior to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the GOI on account of taxes, and certain liabilities incurred in the ordinary course of our trading or banking transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Notes only after all of those liabilities that rank senior to the Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these liabilities, to pay amounts due on the Notes.

The Notes are not a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Noteholders may be adversely affected by a change of English law.

The structure of the issue of the Notes is based on English law and administrative practices in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change to English law or administrative practices after the date of this Offering Circular, nor can any assurance be given as to whether any such change could adversely affect our ability to make payments under the Notes.

Investment in the Notes may subject investors to foreign exchange risks.

The Notes are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be adverse tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes. The Issuer may be exposed to foreign exchange risk of depreciation in the rate of Indian Rupees vis-à-vis U.S. dollars as the Notes are denominated and payable in U.S. dollars (while the Issuer's business is accounted for in terms of Indian Rupees) and the Issuer does not have any natural hedge to protect against any such risk of depreciation in the rate of Indian Rupees vis-à-vis U.S. dollars.

The insolvency laws of India may differ significantly from those of other jurisdictions with which the holders of the Notes are familiar.

As our Company is incorporated under the laws of India, any insolvency proceeding relating to us would likely involve the insolvency laws of India, the procedural and substantive provisions of which may differ significantly from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar. Potential investors should analyze the risks and uncertainties carefully before making an investment in the Notes.

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

We will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure and corporate governance standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions such as the United States or the United Kingdom. As a result, the level of information that is available may not correspond to the level to which investors in the Notes are accustomed.

Holders of the Notes may suffer erosion in the return on their investments due to inflation.

Holders of the Notes may suffer erosion in the return on their investments due to inflation. Holders of the Notes may have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected rise in inflation could reduce the actual returns to such holders.

Integral multiples of less than the specified denomination may result in illiquidity in the Notes.

The denomination of the Notes is U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than U.S.\$200,000 will not receive a definitive certificate in respect of such holding of the Notes (should definitive certificates be printed) and would need to purchase a principal amount of the Notes such that it holds an amount equal to one or more denominations. If definitive certificates are issued, holders should be aware that Notes with aggregate principal amounts that are not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

The Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

Under the ECB Guidelines, the Notes can only be issued to and held by investors who are neither from a Restricted Jurisdiction nor are Restricted Overseas Persons (for further details, please see “Plan of Distribution” and “Transfer Restrictions”).

Gains arising to a non-resident investor from disposition of the Notes held as a capital asset may be subject to taxation in India.

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There can be no assurance that the Indian tax authorities will not treat the Notes as being situated in India, particularly since our Company is incorporated in, and is tax resident in, India. Any gains arising to holders of the Notes from their disposition might be subject to significant taxes in India if the Notes are determined by the Indian tax authorities to be situated in India.

The Notes will not be secured on the Closing Date. Certain other creditors have security over accounts which is not available to the Noteholders. The failure of the Issuer to properly create, perfect and register the Collateral will result in an Event of Default under the Notes, and could impair the ability of the Noteholders to seek repayment.

The Notes will not be secured on the Closing Date. Under the Terms and Conditions of the Notes, the Issuer will be obligated to create, perfect and register the Collateral on or before 90 Business Days after the Closing Date. The creation, perfection and registration of the Collateral will be subject to the consents, approvals and authorizations from the existing creditors of the Issuer for the execution of necessary agreements and documents for the creation of security over the Collateral on a *pari passu* basis for the benefit of the Noteholders and such consents, approvals or authorizations may not be forthcoming. The Issuer has received consents from the existing creditors of the Issuer for the issuance of the Notes and creation of security over the Collateral on a *pari passu* basis for the benefit of the Noteholders. The Notes will be secured to the extent of the Collateral that will be created under the Security Documents that are to be executed on or before 90 Business Days after the Closing Date. If the Issuer fails to create, perfect and register the Collateral within the specified time period, an Event of Default will occur under the Terms and Conditions of the Notes and the Trustee could request the Security Trustee to enforce the Notes. In such circumstances, the Issuer may not have sufficient resources to repay the Notes, in full or at all. Moreover, any claim of the Security Trustee in a bankruptcy or similar proceeding would be unsecured to the extent that the Issuer has failed to create, perfect and register any Collateral, which could limit any amount recovered by the holders of the Notes in any such proceeding. As of March 31, 2021, the Issuer had Rs. 183,475 million of secured indebtedness. To the extent that any of this secured indebtedness remains outstanding after the Closing Date, the creditors of such secured indebtedness will be effectively senior to the obligations due under the Notes, until security over the Notes is created. Furthermore, on occurrence of the Security Fallaway Conditions, the Liens over the Collateral may be released in accordance with the Terms and Conditions.

The towers assets of the Issuer which form a part of the Collateral are classified as movable assets by the Issuer, and the security is proposed to be created over such assets by way of a Deed of Hypothecation. The Issuer has created security over the tower assets in the same form and manner for the benefit of its other creditors has well. In some recent court cases, especially in relation to taxation, the courts in India have observed that tower assets are of the nature of immovable property. If the courts in India or any governmental authority were to take a similar view in relation to the tower assets that will form part of the Collateral, it may adversely affect the security created over the Collateral.

The credit facilities provided by some of our lenders (being HDFC Bank Limited, HDFC Limited, State Bank of India and the holders of the Debentures) are secured by way of a charge over our accounts where our receivables under the Master Services Agreement are deposited, and as of now security over these accounts has not been provided to any of our other lenders and will not be available for the benefit of the Noteholders. Further, under the terms of some of our rupee denominated indebtedness we may be required to provide the benefit of security over these accounts to the lenders of such indebtedness if security over these accounts is also offered to other lenders (other than those mentioned above). Any such lenders in whose favour such security has been created may enforce the security over the accounts available to them without any consultation with the Noteholders, which may adversely impact the security over the Collateral provided for the benefit of the Noteholders, and the Noteholders may need to initiate legal proceedings to protect their interests (including to access the receivables under the Master Services Agreement, if required). Further, the lenders of the Rupee Bank Loans and the holders of the Debentures have the right to receive certain payments under the Master Services Agreement upon the occurrence of certain specified default events which is not and will not be available to the Noteholders.

Further, under the terms of the Account Bank Agreement, on receipt of notice of an event of default, consent of all the creditors which are a party to the Account Bank Agreement will be required for withdrawal of any money from the accounts. If any of the creditors were to refuse to give consent, it could delay the payments required to be made in relation to any indebtedness, including the Notes. Further, the account banks are also lenders to the Issuer, and in case of any dues are outstanding to such lenders, they may be able to exercise their right of set off as the lenders under the term of their respective indebtedness. This could adversely impact the Collateral and the cash flows available for servicing the Notes. The lenders of the Rupee Bank Loans and the holders of the Debentures have the right to receive certain payments under the Master Services Agreement directly from RJIL or its affiliates upon the occurrence of certain specified default events. If RJIL or any of its affiliates were to make these payments, it will step into the shoes of such lenders and obtain the same rights as available to such lenders in their capacity as creditors to the Issuer.

The value of the Collateral may not be sufficient to cover all secured obligations.

The Collateral will be shared with other creditors of the Issuer existing on the Closing Date and future creditors of the Issuer on a pari passu basis. No appraisals of the Collateral have been or will be prepared. The value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the Collateral. By its nature, the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, the Collateral might not be saleable or, if saleable, there could be substantial delays in its liquidation.

Enforcing the rights of Noteholders under the Notes or the Security Documents across multiple jurisdictions and enforcing foreign court judgment on the Issuer in India may prove difficult.

The Issuer is incorporated in India, and the assets that will comprise the Collateral are located in India. The Notes, the Trust Deed and the Agency Agreement will be governed by English law. The Security Documents will be governed by Indian law. In the event of a bankruptcy, liquidation, reorganization or other winding up, proceedings could be initiated in England and India. The rights of Noteholders under the Notes and the Security Documents will be subject to the insolvency and administrative laws of several jurisdictions and investors might not be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, administrative and other laws of India may be materially different from those with which Noteholders may be familiar, including in the areas of the rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect investors' ability to enforce their rights under the Notes and the Security Documents in the relevant jurisdictions or limit any amounts that they may receive.

Enforcement of security usually takes a considerable period of time in India and enforcement may be subject to delays and administrative requirements. The claims and remedies available under Indian law may not be as extensive as those available in other jurisdictions. As a result, it may be difficult for investors to effect service of process, on the Issuer or to enforce judgments obtained in non-Indian courts against the Issuer.

The rights over the Collateral and under the Security Documents will not be granted directly to holders of the Notes.

The rights over the Collateral and under the Security Documents will not be granted directly to the Noteholders, but will be granted only in favor of the Security Trustee. As a consequence, Noteholders will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes, including the Parent Undertaking (as defined in the Conditions) except through the Security Trustee.

The enforcement of the security interest over the Collateral may not be solely at the discretion of the Noteholders.

The security over the Collateral is being created in favor of the Noteholders on a *pari passu* basis and will be shared with certain other creditors, including hedge counterparties and existing and future lenders. Each of the creditors (including the Noteholders, hedge counterparties and existing and future lenders) which have the benefit of the security over the Collateral will have a right to enforce such security as per the terms of the underlying financing documents. Further, in addition to the Noteholders, the hedge counterparties and any other lenders will also have rights under the underlying financing documents and hedging agreements (as applicable) to give instructions to the security trustee acting on their behalf (which may, in certain cases, be the same entity as the Security Trustee) in relation to the Collateral. Each creditor will be able to direct the security trustee to enforce the security over the Collateral (independent of the action proposed by our other creditors).

The Security Trustee may be acting in multiple capacities, including as security trustee for our other lenders and the hedge counterparties, and will be required to act in accordance with the directions given by such creditors as per the underlying finance documents. No inter-creditor arrangement has been executed among the various lenders that provides for an agreed mechanism for enforcement of security interest among the various creditors, and in the absence of such an arrangement, all our creditors have the ability to enforce the security over the Collateral provided to them even if any other creditor (including the Noteholders) does not consent to such action and such enforcement may be subject to delays due to any conflicting instructions. In such an event, the Noteholders shall be entitled to the proceeds of the enforcement of security over the Collateral on a *pari passu* basis with our other creditors which have a similar ranking charge.

Further, the Security Trustee is required to take action to enforce the security interest over the Collateral in accordance with the instructions of the Trustee given under and in accordance with the Trust Deed. The ability of the Trustee (on instructions of the Noteholders) to enforce the security is restricted under the Trust Deed. If an Event of Default occurs under the Notes, the Noteholders holding at least 25% of the outstanding amount of the Notes may decide whether to take any enforcement action and may thereafter, through the Trustee in accordance with the Trust Deed, instruct the Security Trustee to take enforcement action against the security. By virtue of the instructions given to the Security Trustee described above, actions may be taken in respect of the security that may be adverse to other Noteholders who did not vote in favor of enforcement. In such event, the only remedy available to the Noteholders would be to sue for payment under the Notes.

The Noteholders will not have any direct recourse to our other lenders.

The Security Trustee shall accede to the Pari-passu Agreement and the Account Bank Agreement on behalf of and for the benefit of the Noteholders. These agreements allow our other lenders (or their trustees or agents acting on their behalf) which provide any permitted debt to us in the future to also become a party to such agreements, and which will, among other things, provide for *pari passu* sharing of security over our specified assets and sharing of our cash flows among the Noteholders, the hedge counterparties and certain other creditors. The Noteholders and the Trustee are not a signatory to these agreements and the rights under these agreements will not be granted directly to the Noteholders but will be granted only in favor of the Security Trustee. As a consequence, Noteholders will not have direct recourse and will not be entitled to take any action in respect of any breach of the obligations under these agreements, except through the Security Trustee.

The Collateral may in certain circumstances be voidable.

The Collateral may be voidable under insolvency, bankruptcy, fraudulent transfer or similar laws of England, India and other jurisdictions, if and to the extent applicable. In the case of the Collateral being voidable

under such laws in England, the relevant time period during which such security is voidable could be within six months of the date of the charge or, under some circumstances, within longer periods. If the Collateral were to be voided for any reason, holders of the Notes would have only an unsecured claim against the Issuer. Under Indian law, the Security Interests granted by the Issuer may be considered invalid if, in the event of winding-up, it is proved that the Issuer had created a floating charge over the collateral within six months immediately preceding the commencement of winding-up.

The Notes may not benefit from tax concessions in Singapore in the future.

The Notes are, pursuant to the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) and the MAS Circular FDD Cir 11/2018 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by the Monetary Authority of Singapore (“**MAS**”) on 31 May 2018, intended to be “qualifying debt securities” for the purposes of the Income Tax Act, subject to the fulfilment of certain conditions more particularly described in the section “*Taxation – Singapore Taxation*”. However, there is no assurance that the Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

USE OF PROCEEDS

The net proceeds from this offering are expected to be U.S.\$492,295,000. The net proceeds will be used for capital expenditure, repayment of existing indebtedness and/or any other purpose in compliance with end-use guidelines set forth in the ECB Guidelines.

The foregoing represents our current intentions and best estimate of our allocation of the proceeds of this offering based upon our current plans and estimates regarding our anticipated expenditures. Our management, however, will have flexibility and discretion as to how we apply the proceeds from the offering of the Notes. The exact amount of proceeds from the offering of the Notes which we will actually apply to any particular purpose may change and we may find it necessary or advisable to use portions of the proceeds for other purposes permitted by the ECB Guidelines.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2021 on an actual basis and on an as adjusted basis. The “As Adjusted” data set forth in the table below gives effect to the issuance of the Notes, and has not been adjusted to give effect to the application of the net proceeds of the offering of the Notes described in the section entitled “*Use of Proceeds*”.

This table should be read in conjunction with the sections entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Use of Proceeds*”, our audited financial statement as of and for the year ended March 31, 2021, the related notes and other financial information contained elsewhere in this Offering Memorandum.

| | As of March 31, 2021 | | | |
|-----------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Actual | | As Adjusted | |
| | (Rs. in millions) | (U.S.\$ in millions) | (Rs. in millions) | (U.S.\$ in millions) |
| Short-term borrowings | | | | |
| Secured | — | — | — | — |
| Unsecured | — | — | — | — |
| Long-term borrowings | | | | |
| Secured | 183,475 | 2,496 | 183,475 | 2,496 |
| Unsecured | 250,000 | 3,401 | 250,000 | 3,401 |
| The Notes | — | — | 36,752 | 500 |
| Total Borrowing | 433,475 | 5,897 | 470,227 | 6,397 |
| Equity Share Capital | 2,150 | 29 | 2,150 | 29 |
| Other equity | (52,495) | (714) | (52,495) | (714) |
| Total equity ⁽¹⁾ | <u>(50,345)</u> | <u>(685)</u> | <u>(50,345)</u> | <u>(685)</u> |
| Total capitalization | <u>383,130</u> | <u>5,212</u> | <u>419,882</u> | <u>5,712</u> |

“—” denotes nil.

Notes:

- (1) Does not include non-cumulative redeemable preference shares

Except for the foregoing, there has been no material change in our capitalization since March 31, 2021.

SELECTED FINANCIAL DATA AND OTHER INFORMATION

The following tables present the selected summary financial information for our Company for the periods ended and at the dates indicated below.

The summary financial information for the financial years 2019, 2020 and 2021 presented below has been derived from our audited financial statements included elsewhere in this Offering Memorandum. The financial information for the financial years 2019, 2020 and 2021 should be read in conjunction with our audited financial statements and the notes thereto included elsewhere in this Offering Memorandum and the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Our audited financial statements have been prepared in accordance with Ind-AS. Significant differences exist between Ind-AS and IFRS, hence the adjustments that are ultimately required to convert from Ind-AS to IFRS could be significant. For a summary of the significant differences between Ind-AS and IFRS, see the section entitled “Summary of Significant Differences Between IFRS and Ind-AS”. Potential investors should consult their own professional advisers for an understanding of the differences between Ind-AS and IFRS, and how these differences might affect their understanding of the financial information contained herein.

Statement of Profit or Loss

| | | For the Fiscal Year ended March 31, | | |
|--|-------------|--|-----------------|---------------------------------|
| | 2019 | 2020 (Rs. in millions) | 2021 | 2021 (U.S.\$ in millions) |
| Revenue from Operations | — | 74,767 | 82,442 | 1,121.59 |
| Other Income | 5 | 125 | 153 | 2.08 |
| Total income | 5 | 74,892 | 82,595 | 1,123.67 |
| Expenses | | | | |
| Network Operating Expenses | — | 45,878 | 51,360 | 698.73 |
| Employee Benefits Expense | — | 1 | 164 | 2.23 |
| Finance Costs | — | 31,940 | 34,590 | 470.58 |
| Depreciation and Amortization Expense | — | 17,784 | 19,560 | 266.11 |
| Other Expenses | 32 | 257 | 301 | 4.09 |
| Total Expenses | 32 | 95,860 | 105,975 | 1,441.74 |
| Loss Before Tax | (27) | (20,968) | (23,380) | (318.07) |
| Tax Expenses | — | — | — | — |
| Loss for the Year | (27) | (20,968) | (23,380) | (318.07) |
| Other Comprehensive Loss | — | — | — | — |
| Total Comprehensive Loss for the Year | (27) | (20,968) | (23,380) | (318.07) |
| Earnings Per Equity Share | | | | |
| Basic Per Share (in Rs./US\$) | (1.61) | (9.78) | (10.87) | (0.15) |
| Diluted Per Share (in Rs./US\$) | (1.61) | (9.78) | (10.87) | (0.15) |

Statement of Balance Sheet

| | 2019 | As of March 31, | | 2021 | 2021 |
|--|---------|-----------------|----------|----------|------------|
| | | 2020 | | | (U.S.\$ in |
| | | (Rs. in | | | millions) |
| | | millions) | | | |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 248,208 | 387,266 | 380,105 | 5,171.17 | |
| Right of Use Assets | — | 117 | 206 | 2.80 | |
| Capital Work in Progress | 80,152 | — | 18 | 0.24 | |
| Financial Assets | | | | | |
| Other Financial Assets | 2,726 | 3,072 | 4,571 | 62.19 | |
| Other Non-Current Assets | 2,615 | 3,236 | 3,236 | 44.02 | |
| Total Non-Current Assets | 333,701 | 393,691 | 388,136 | 5,280.42 | |
| Current Assets | | | | | |
| Financial Assets | | | | | |
| Investments | 145 | — | — | — | |
| Trade Receivables | 310 | 153 | 153 | 2.08 | |
| Cash and Cash Equivalents | 3 | 446 | 9,914 | 134.88 | |
| Other Bank Balances | — | 3 | 3 | 0.04 | |
| Other Financial Assets | 15,000 | 24,099 | 4,531 | 61.64 | |
| Other Current Assets | 18,954 | 22,553 | 11,589 | 157.66 | |
| Total Current Assets | 34,412 | 47,254 | 26,190 | 356.30 | |
| Total Assets | 368,113 | 440,945 | 414,326 | 5,636.73 | |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity Share Capital | 2,150 | 2,150 | 2,150 | 29.25 | |
| Other Equity | 467 | (20,501) | (52,495) | (714.17) | |
| Total Equity | 2,617 | (18,351) | (50,345) | (684.92) | |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 188,360 | 228,194 | 431,851 | 5,875.15 | |
| Right of Use Liabilities | — | — | 88 | 1.20 | |
| Provisions | 7,414 | 10,854 | 11,235 | 152.85 | |
| Total Non-Current Liabilities | 195,774 | 239,048 | 443,174 | 6,029.19 | |
| Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 29,650 | 30,050 | — | — | |
| Trade Payables | | | | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | 0 | — | 0 | 0 | |
| Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises | 3,111 | 3,059 | 1,945 | 26.46 | |
| Right of Use Liabilities | — | — | 18 | 0.24 | |
| Other Financial Liabilities | 12,164 | 71,142 | 14,708 | 200.1 | |
| Creditors for Capital Expenditure | 124,770 | 114,610 | — | — | |
| Other Current Liabilities | 27 | 1,387 | 4,822 | 65.60 | |
| Provisions | — | — | 4 | 0.05 | |
| Total Current Liabilities | 169,722 | 220,248 | 21,497 | 292.46 | |
| Total Liabilities | 365,496 | 459,296 | 464,671 | 6,321.65 | |
| Total Equity and Liabilities | 368,113 | 440,945 | 414,326 | 5,636.73 | |

“—” denotes nil “0” represents the amount is below the denominated threshold.

Statement of Cash Flows

| | For the Fiscal Year ended March 31, | | | |
|--|--|------------------------------|------------------|---------------------------------|
| | 2019 | 2020 (Rs. in millions) | 2021 | 2021 (U.S.\$ in millions) |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Loss Before Tax as Per Profit and Loss Statement | (27) | (20,968) | (23,380) | (318.07) |
| Adjusted for: | | | | |
| Fees for Increase in Authorized Capital | 25 | — | — | — |
| Depreciation and Amortization Expense | — | 17,784 | 19,560 | 266.11 |
| Gain on Investments (Net) | (1) | (119) | (49) | (0.67) |
| Interest Income | — | — | (64) | (0.87) |
| Interest on Income Tax Refund | — | (6) | (40) | (0.54) |
| Finance Costs | — | 31,940 | 34,590 | 470.58 |
| Operating Profit Before Working Capital Changes | (3) | 28,631 | 30,617 | 416.53 |
| Adjusted for: | | | | |
| Trade and Other Receivables | (1) | (11,184) | 12,505 | 170.13 |
| Trade & Other Payables | 6 | 13,324 | (40,910) | (556.56) |
| Cash (Utilized in)/Generated from Operations | 2 | 30,771 | 2,212 | 30.09 |
| Income Taxes Refund/(Paid) | — | (695) | 488 | 6.64 |
| Net Cash (Utilized In)/Generated from Operations (A) | 2 | 30,076 | 2,700 | 36.73 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Property, Plant and Equipment | — | (84,639) | (110,631) | (1,505.09) |
| Purchase of Investments | (200) | (166,930) | (45,029) | (612.60) |
| Sales of Investments | 56 | 167,194 | 45,078 | 613.27 |
| Fixed Deposits with Banks | — | — | — | — |
| Investments in Bank Deposits | — | (6) | (30) | (0.41) |
| Interest Received | — | — | 55 | 0.75 |
| Net Cash Flow Used in Investing Activities (B) | (144) | (84,381) | (110,557) | (1,504.08) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Equity Shares | 140 | — | — | — |
| Payment of Lease Liabilities | — | — | (4) | (0.05) |
| Proceeds from Long Term Borrowings | — | 50,000 | 551,835 | 7,507.48 |
| Repayment of Long Term Borrowings | — | (10,000) | (356,720) | (4,853.02) |
| Proceeds from Short Term Borrowings | — | 38,312 | — | — |
| Repayment of Short Term Borrowings | — | (37,912) | (30,050) | (408.82) |
| Deposit Received | — | 35,940 | — | — |
| Working Capital Adjustment | — | — | (3,824) | (52.02) |
| Finance Costs Paid | — | (21,592) | (43,912) | (597.40) |
| Net Cash Flow Generated from Financing Activities (C) | (140) | 54,749 | 117,325 | 1,596.16 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | (2) | 444 | 9,468 | 128.81 |
| Opening Balance of Cash and Cash Equivalents | 5 | 3 | 446 | 6.07 |
| Closing Balance of Cash and Cash Equivalents | 3 | 446 | 9,914 | 134.88 |

“—” denotes nil “0” represents the amount is below the denominated threshold.

Other Financial Information

| | For the Financial Year ended March 31, | | | |
|---------------------------------------|---|--------------------------------------|------------------------|---|
| | 2019 | 2020 <i>(Rs. in millions)</i> | 2021 | 2021 <i>(U.S.\$ in millions)</i> |
| Revenue | — | 74,767 | 82,442 | 1,122 |
| EBITDA ⁽¹⁾ | (27) | 28,756 | 30,770 | 419 |
| External Secured Debt | 228,010 | 228,194 | 183,475 ⁽²⁾ | 2,496 ⁽²⁾ |
| Shareholder Loan | — | — | 250,000 | 3,401 |
| External Secured Debt to EBITDA | (8,444.81) | 7.94 | 5.96 | 5.96 |

“—” denotes nil.

Notes:

- (1) Earnings before interest, taxes, depreciation and amortization.
- (2) Does not include non-cumulative redeemable preference shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations. This discussion is based on the Company's audited financial statements as of and for the years ended March 31, 2020 and 2021, each prepared and presented in accordance with Ind-AS including the rules notified under the relevant provisions of the Companies Act, and other accounting principles generally accepted in India, and presented in Rupees. We have omitted the comparative discussion between the financial years 2020 and 2019, as our tower infrastructure business was transferred from RJIL to us by way of a slump sale on a going concern basis with effect from close of business hours on March 31, 2019, and as such, we had no meaningful financial results for the financial year ended March 31, 2019.

The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by reference to, the Company's audited consolidated financial statements and related notes thereto, included elsewhere in this Offering Memorandum.

This discussion contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including those listed under "Risk Factors" and "Forward-Looking Statements".

Overview

We are one of the largest independent tower companies in India as measured by number of towers and revenue. We provide passive tower infrastructure services to TSPs, with a pan-India portfolio of 138,086 operational towers as of March 31, 2021.

Our Towers consist of a network of GBT, GBM, RTT, RTP and cells-on-wheels COW. We provide passive infrastructure services on our Towers for TSPs to host equipment that provide telecommunications services to their customers. With an increasing rollout of 4G or LTE networks by TSPs and a trend for rapid technological developments in the market for transitioning into 5G and beyond, we believe that our network of towers provides us with significant advantage to tap into such markets and attract new customers.

The strength of our business is rooted in our long-term and stable relationship with RJIL, the anchor sharer of our Towers. RJIL is one of the largest and fastest growing wireless broadband services providers in India, with a market share of 54.7% of total broadband subscribers as of March 31, 2021, according to TRAI. In addition to our Tower service agreements with RJIL, in December 2019, we entered into the 30-year Master Services Agreement with RJIL to provide it with passive tower infrastructure services, as well as rights for taking up additional tenancies on the Towers.

We were incorporated in India on January 18, 2013 under the name of "Reliance Jio Private Limited." The name of the Company was changed to "Reliance Jio Infratel Private Limited" on March 3, 2014 and to "Summit Digital Infrastructure Private Limited" on November 18, 2020. We are a wholly-owned subsidiary of Tower Infrastructure Trust ("Tower Trust"). Tower Trust was set up by Reliance Industrial Investments and Holdings Limited ("RIIHL") was set up by RIIHL on January 31, 2019 as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882, and was registered as an infrastructure investment trust under Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 on March 19, 2019 with the registration number of IN/InvIT/18-19/0009. On March 31, 2019, Tower Trust acquired 51% of our shares from RJIL, RIIHL and Reliance Media Transmission Private Limited, and on August 31, 2020, it acquired the remaining 49% of our shares from Reliance Industries Limited.

Basis of Preparation

The financial statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Ind-AS, on historical cost basis except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values to comply with the Ind-AS, including the rules notified under the relevant provisions of the Companies Act.

Recent Developments

For the three months ended June 30, 2021, we acquired 2,610 additional Tower sites with RJIL as the anchor sharer, and the total number of our Towers as of June 30, 2021 is 140,696. As of June 30, 2021, we have

added Bharti Airtel Limited as a sharer on 263 of our Tower sites and collected in full their payments for the three months ended June 30, 2021. We have also executed a term sheet with Sify Technologies Limited in June 2021.

We successfully issued and listed secured debentures in the amount of Rs. 15,000 million in India in June 2021.

Factors Affecting Our Results of Operations

Revenue Generation through Service Agreements

One of the key factors that affects our results of operations is our ability to enter into long-term service agreements with sharers that obtain passive infrastructure services on our Towers. The long-term nature of our service agreements enhances the security and visibility of our revenue, limiting the impact of market condition variability on it. As of March 31, 2021, substantially all of our revenue was derived from our 30-year Master Services Agreement with RJIL, under which RJIL pay us certain service charges in relation to each Tower site commissioned under the agreement.

As the 30-year term of the Master Services Agreement with RJIL currently provides us with predictability and control over our cash flows, we also plan to market our Towers to additional third-party TSPs to increase the rate of tenancies on our Towers. Whether the new sharers will renew the service agreements at the end of their terms will affect the security and long-term visibility of our businesses and results of operations. The predictability of our operating results and cash flows will vary in the future depending on the make-up of our service agreements, their negotiated terms and the rate of renewal of such service agreements. We also expect to generate revenue by building and acquiring new tower sites and offering expanded passive infrastructure sharing services, as well as receiving premiums on certain strategic sites from our customers.

Our Customers and Billing Cycles

The long-term nature of our service agreements means that we are dependent on the continued financial strength of our customers over long periods. RJIL, our anchor sharer as of the date of this Offering Memorandum, is one of the largest and fastest growing wireless broadband services providers in India. As we look to grow our customer base, will intend to assess creditworthiness as a significant criteria in selecting counterparties, although we expect the substantial majority of these will be large companies with a global presence.

Our contractual invoicing cycle for our current anchor sharer, RJIL, is settlement monthly in advance, and for our other sharers, invoices are paid in arrears. As a result of these arrangements, we may experience some degree of volatility in our cash settlements.

Typically, our “base rate” (what a sharer pays for a normal site with standard configuration) consists of “standard rate” (rate for standard configuration offered to customers) plus “site premium” (premium related to certain tower sites) and “rental premium” (premium charged for certain cities). The base rate plus “tenure premium” (premium charged for terms less than the default tenure set in the sharer agreement) is the “applicable rate” (what a sharer pays for the specific site in question). The “total rate” (the actual price paid by the sharer) is the applicable rate plus “loadings” charges (charges based on equipment installed on the site beyond standard configuration).

Tower Tenancies and Tenancy Ratio

As we generate our revenues from service agreements with sharers at our Towers, we constantly seek to increase the number of sharers and improve our tenancy ratio. As the incremental cost of adding new sharers to existing towers is low, and as our Towers have the capacity for additional sharers with minor capital investment, we expect that the higher tenancy ratio in the future will increase our revenues.

In addition to organically growing the number of sharers on our Towers, we also plan on increasing the number of sharers through acquisition of other existing tower sites. As these towers will have existing sharers, acquiring them will increase the number of sharers and further increase our revenues.

Operating Expenses

Under the terms of the O&M Agreement, our network operating expenses related to maintaining and operating our Towers and passive infrastructure assets are fixed and paid to RPPMSL. We believe this

arrangement provides us with stability in our costs and cash flows. For example, the scope of the O&M Agreement includes, among other things, (i) performing various maintenance activities and periodic repairs of the Towers; (ii) operating the Towers efficiently to enable additional tenancies on our Towers; (iii) replacing passive equipment, such as power plants, diesel generator sets, battery bank and others and (iv) paying operating costs, including insurance policies and associated costs of any claims and annual maintenance costs. As a result, our operating expenses are contractually fixed and predictable, both for our current anchor sharer and for additional sharers in the future, as our operating expenses for additional sharers will be increased by a fixed amount under the O&M Agreement. These arrangements help afford us stable, predictable and long-term visibility on costs and cash flows, which in turn helps us enjoy strong EBITDA margins.

Capital Expenditure

Under the terms of the Project Execution Agreement, RPPMSL is responsible for the tower development process, ranging from site acquisition, procurement and warehousing, construction contracting, site construction and engagement of suppliers, as well as constructing and maintaining passive infrastructure. As the payments to be made to RPPMSL for each type of tower is specified in the Project Execution Agreement, we believe that our capital expenditures are fixed and predictable. Once we receive a completed tower from RPPMSL, we do not expect to incur additional capital expenditure on it, as RPPMSL is required to deliver a fully functioning tower with RJIL as an active anchor sharer pursuant to the Project Execution Agreement.

Financial Policies

We have established a set of prudent financial policies for every stage of our Towers business to maintain a healthy capital structure. We closely monitor our net debt and EBITDA levels, and we have a conservative dividend policy where any interest and principal payments for shareholder loans in a particular year are made only to the extent of the cash reserve remaining for such year after payments are made for our external debt obligations. In addition, we pursue an efficient capital structure with a focused refinancing strategy by managing debt maturity profile effectively over the term of the Master Services Agreement, creating a mix of floating and fixed rate instruments and exploring diversified borrowing avenues, reducing funding costs wherever possible and building liquidity and cash reserve as required for the day-to-day business affairs.

Interest Costs

Indebtedness has been a significant source of the funding for our growth, and we anticipate that this trend will continue in the future. We obtain a mix of fixed and floating rate loans, and we are exposed to the risk of changes in market interest rate for our floating debt obligation. Our current aim is to obtain more non-amortizing fixed-interest loans with longer tenors.

Changes in the Economy and New Technology

Our customers' demand for additional tenancies on our Towers is dependent on the overall health of the Indian economy. Factors such as rising demand for 4G network coverage, increasing need of fiberized towers and emergence of new technologies, such as 5G, are expected to contribute to increased requirements for tower space among telecommunications operators and wireless data service providers, and may result in an increase in demand from our customers for us to increase the co-locations on our existing towers.

Description of Key Line Items

Total income

Our income consists of revenue from operations and other income.

Revenue from operations consists of sales of services and income from power, fuel and site rent.

Other income includes (i) interest on income tax refund, (ii) interest income on fixed deposits and (iii) net gain on sale of investments.

Expenses

Our expenses consist of (i) network operating expenses, (ii) employee benefits expenses, (iii) finance costs, (iv) depreciation and amortisation expenses and (iv) other expenses.

Network Operating Expenses

Network operating expenses consist of (i) power and fuel, (ii) rent, (iii) repairs and maintenance and (iv) other network cost.

Employee benefits expenses

Employee benefits expenses include (i) salaries and wages, (ii) contribution to provident fund and other funds, (iii) staff welfare expenses and (iv) gratuity.

Finance costs

Finance costs include (i) interest expenses, (ii) exchange loss attributable to finance costs, (iii) other borrowing cost and (iv) interest on lease.

Depreciation and amortization expenses

Depreciation and amortisation expenses consist of (i) depreciation on property, plant, and equipment and (ii) depreciation on right to use asset.

Other Expenses

Other expenses include (i) rates and taxes, (ii) professional fees, (iii) payment to auditors, (iv) traveling expenses, (v) legal fees and (vi) general expenses.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

| | For the years ended March 31, | | |
|--|--------------------------------------|-----------------|-----------------|
| | 2019 | 2020 | 2021 |
| | <i>(Rs. in millions)</i> | | |
| Summary Statement of Profit or Loss | | | |
| Revenue from Operations | — | 74,767 | 82,442 |
| Other Income | 5 | 125 | 153 |
| Total income | 5 | 74,892 | 82,595 |
| Network Operating Expenses | — | 45,878 | 51,360 |
| Employee Benefits Expenses | — | 1 | 164 |
| Finance Costs | — | 31,940 | 34,590 |
| Depreciation and Amortization Expenses | — | 17,784 | 19,560 |
| Other Expenses | 32 | 257 | 301 |
| Total Expenses | 32 | 95,860 | 105,975 |
| Loss before Tax | (27) | (20,968) | (23,380) |
| Tax Expenses | — | — | — |
| Loss for the Year | (27) | (20,968) | (23,380) |
| Other Comprehensive Loss | — | — | — |
| Total Comprehensive Loss for the Year | (27) | (20,968) | (23,380) |
| Earnings per Equity Share | — | — | — |
| Basic Per Share (in Rs./US\$) | (1.61) | (9.78) | (10.87) |
| Diluted Per Share (in Rs./US\$) | (1.61) | (9.78) | (10.87) |

“—” denotes nil.

Notes:

- (1) During the year ended March 31, 2021, we revised the presentation of income from reimbursements of Power & Fuel and Rent to present these as part of Revenue from Operations as well as Network Operating Expenses, as these more appropriately reflect the substance of the transactions where we provide these services as a principal. Previously, these were presented net as a recovery under Network Operating Expenses. The change in presentation has been applied retrospectively for the figures for the year ended March 30, 2020. The change does not impact the figures for the year ended March 30, 2019, as income from reimbursements of Power & Fuel and Rent were 0. This change in presentation does not affect Total Loss, Total Comprehensive Loss and the Loss per Share for the previous periods presented.

Financial Year 2021 compared to Financial Year 2020

Income

Revenue from Operations

Revenue from operations increased by Rs. 7,675 million, or 10.27%, from Rs. 74,767 million for the financial year 2020 to Rs. 82,442 million for the financial year 2021.

For the financial year 2021, our revenue from operations was entirely derived from infrastructure provisioning fees we collect from RJIL, our anchor sharer. The fees we received from RJIL increased by Rs. 7,675 million, or 10.27%, from Rs. 74,767 million for the financial year 2020 to Rs. 82,442 million, primarily due to 4,671 new towers that were added to our portfolio during the financial year 2021. Revenue from operations represented 99.83% and 99.81% of our total income for the financial years 2020 and 2021, respectively.

Other Income

Other income increased by Rs. 28 million, or 22.40%, from Rs. 125 million for the financial year 2020 to Rs. 153 million for the financial year 2021 primarily due to interest income earned. Other income represented 0.17% and 0.19% of our total income for the financial years 2020 and 2021, respectively.

Expenses

Our total expenses increased by Rs. 10,115 million, or 10.55%, from Rs. 95,860 million for the financial year 2020 to Rs. 105,975 million for the financial year 2021 primarily due to an increase in network operating expenses. Our total expenses, expressed as a percentage of our total income, were 127.99% and 128.31% for the financial years 2020 and 2021, respectively.

Network Operating Expenses

Network operating expenses increased by Rs. 5,482 million, or 11.95%, from Rs. 45,878 million for the financial year 2020 to Rs. 51,360 million for the financial year 2021 primarily due to an increase in expenses related to power and fuel caused by the addition of 4,671 new towers to our portfolio during the financial year 2021. Network operating expenses, as a percentage of our total income, were 61.26% and 62.18% for the financial years 2020 and 2021, respectively.

Employee Benefits Expenses

Employee benefits expense increased by Rs. 163 million from Rs. 1 million for the financial year 2020 to Rs. 164 million for the financial year 2021, primarily due to an increase in salaries and wages from Rs. 1 million for the financial year 2020 to Rs. 158 million for the financial year 2021. Employee benefits expense, expressed as a percentage of our total income, were less than 0.01% for the financial year 2020 and 0.2% for the financial year 2021.

Finance Costs

Finance costs increased by Rs. 2,650 million, or 8.30%, from Rs. 31,940 million for the financial year 2020 to Rs. 34,590 million for the financial year 2021. Interest expenses increased from Rs. 30,706 million in financial year 2020 to Rs. 33,831 million in financial year 2021, whereas exchange loss attributable to finance costs decreased from Rs. 1,073 million in financial year 2020 to Rs. 409 million in financial year 2021. Finance costs, expressed as a percentage of our total income, were 42.65% and 41.88% for the financial years 2020 and 2021, respectively.

Depreciation and Amortization Expenses

Depreciation and amortisation expenses increased by Rs. 1,776 million, or 9.99%, from Rs. 17,784 million for the financial year 2020 to Rs. 19,560 million for the financial year 2021 primarily due to an increase in depreciation on property, plant and equipment from Rs. 17,778 million for the financial year 2020 to Rs. 19,543 for the financial year 2021. Depreciation and amortisation expenses, expressed as a percentage of our total income, were 23.75% and 23.68% for the financial years 2020 and 2021, respectively.

Other Expenses

Other expenses increased by Rs. 44 million, or 17.12%, from Rs. 257 million for the financial year 2020 to Rs. 301 million for the financial year 2021 primarily due to an increase in general expenses from Rs. 27 million for the financial year 2020 to Rs. 117 million for the financial year 2021, as well as an increase professional fees from Rs. 40 million for the financial year 2020 to Rs. 134 million for the financial year 2021. Other expenses, as a percentage of total income, were 0.34% and 0.36% for the financial years 2020 and 2021, respectively.

Loss before Tax

As a result of the foregoing, loss before tax increased by Rs. 2,412 million, or 11.50%, from Rs. 20,968 million for the financial year 2020 to Rs. 23,380 million for the financial year 2021.

Tax Expenses

We had no tax expenses for the financial years 2020 and 2021. Our applicable tax rate was 25.17% for the financial years 2020 and 2021.

Loss for the Year

As a result of the foregoing, loss for the year increased by Rs. 2,412 million, or 11.50%, from Rs. 20,968 million for the financial year 2020 to Rs. 23,380 million for the financial year 2021.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

| | For the years ended March 31, | | |
|---|-------------------------------|----------|-----------|
| | 2019 | 2020 | 2021 |
| | (Rs. in millions) | | |
| Summary Cash Flow Statement | | | |
| Net cash generated from operations | 2 | 30,076 | 2,700 |
| Net cash flow used in investing activities | (144) | (84,381) | (110,557) |
| Net cash flow generated from financing activities | 140 | 54,749 | 117,325 |
| Net increase in cash and cash equivalents | (2) | 444 | 9,468 |
| Opening balance of cash and cash equivalents | 5 | 3 | 446 |
| Closing balance of cash and cash equivalents | 3 | 446 | 9,914 |

Operating Activities

Net cash flows generated from operations for the financial year 2021 was Rs. 2,700 million, while net loss before tax was Rs. (23,380) million. The adjustments were primarily attributable to finance costs of Rs. 34,590 million, depreciation and amortisation expenses of Rs. 19,560 million, interest income of Rs. (64) million, net gain on investments of Rs. (49) million and interest on income tax refund of Rs. (40) million. Cash flows were also affected by working capital adjustments for trade and other receivables of Rs. 12,505 million and trade and other payables of Rs. (40,910) million.

Net cash flows generated from operations for the financial year 2020 was Rs. 30,076 million, while net loss before tax was Rs. (20,968) million. The adjustments were primarily attributable to finance costs of Rs. 31,940 million, depreciation and amortisation expenses of Rs. 17,784 million, net gain on investments of Rs. (119) million and interest on income tax refund of Rs. (6) million. Cash flows were also affected by working capital adjustments for trade and other receivables of Rs. (11,184) million and trade and other payables of Rs. 13,324 million.

Investing Activities

Net cash flows used in investing activities for the financial year 2021 was Rs. (110,557) million, primarily attributable to purchase of property, plant and equipment of Rs. (110,631) million, sale of investments of Rs. 45,078 million, purchase of investments of Rs. (45,029) million, interest received of Rs. 55 million and investments in bank deposits of Rs. (30) million.

Net cash flows used in investing activities for the financial year 2020 was Rs. (84,381) million, primarily attributable to sale of investments of Rs. 167,194 million, purchase of investments of Rs. (166,930) million, purchase of property, plant and equipment of Rs. (84,639) million and investments in bank deposits of Rs. (6) million.

Financing Activities

Net cash flows generated from financing activities for the financial year 2021 was Rs. 117,325 million, primarily attributable to proceeds from long term borrowings of Rs. 551,835 million, repayment of long-term borrowings of Rs. (356,720) million, finance costs paid of Rs. (43,912) million, repayment of short-term borrowings of Rs. (30,050) million, working capital adjustment of Rs. (3,824) million and payment of lease liabilities of Rs. (4) million.

Net cash flows generated from financing activities for the financial year 2020 was Rs. 54,749 million, primarily attributable to proceeds from long term borrowings of Rs. 50,000 million, proceeds from short term borrowings of Rs. 38,312 million, repayment of short-term borrowings of Rs. (37,912) million, deposit received of Rs. 35,940 million, finance costs paid of Rs. (21,592) million and repayment of long-term borrowings of Rs. (10,000) million.

Indebtedness

Our indebtedness comprises long-term and short-term borrowings from banks and financial institutions including current maturities of long-term borrowings, together with loans from related parties. As of March 31, 2021, our total external borrowings on a consolidated basis was Rs. 183,475,400,000, and our total shareholder loan was Rs. 250,000,000,000. The borrowings include Rupee loans and debentures. All of our consolidated total outstanding borrowings as at March 31, 2021 were denominated in Rupees. For more information, please see “Description of Material Indebtedness”.

Our loan agreements generally contain covenants, including limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, investments, transfers of ownership interests and certain changes in business. These covenants may limit our ability to pay dividends or make loans or advances to us, subject to the lender’s waiver or consent.

Our ability to incur additional debt is subject to a variety of uncertainties including the amount of capital that other entities with operations may seek to raise in the domestic and foreign capital markets, economic and other conditions in India or elsewhere that may affect investor demand for our securities, the liquidity of capital markets in India or elsewhere, our compliance with covenants in our financing agreements and our cash flows, financial condition and results of operations. We intend to continue to utilize long-term debt towards satisfying our financing requirements, taking into account prevailing market conditions and our ability to borrow at competitive rates.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of March 31, 2021, aggregated by type of contractual obligation:

| | 0-1 Years | As of March 31, 2021 | | | Total |
|---|-----------|----------------------|-----------|----------|---------|
| | | 1-3 Years | 3-5 Years | 5+ Years | |
| | | (Rs. in million) | | | |
| Trade payables | 1,945 | — | — | — | 1,945 |
| Creditors for capital expenditure | — | — | — | — | — |
| Other current financial liabilities | 14,708 | — | — | — | 14,708 |
| Borrowings ⁽¹⁾ | — | 27,025 | 61,325 | 343,501 | 431,851 |
| Total | 16,653 | 27,025 | 61,325 | 3473,501 | 448,504 |

“—” denotes nil.

Notes:

(1) Includes Rs. 1,750 million as prepaid finance charges.

Capital Expenditures

For the financial year ended March 31, 2021, we incurred Rs. 12,382 million capital expenditure-related costs which represented additions to Property, Plant and Equipment. Substantially all of such costs were in the form of payments to RPPMSL pursuant to the Project Execution Agreement. Under the terms of the Project Execution Agreement, RPPMSL is responsible for the tower development process, ranging from site acquisition, procurement and warehousing, construction contracting, site construction and engagement of suppliers, as well as constructing and maintaining passive infrastructure. Under the Project Execution Agreement, the purchase price payable to RPPMSL for each type of tower is fixed.

Contingent Liabilities

As of March 31, 2021, there were no contingent liabilities that had or were reasonably likely to have a current or future effect on our financial condition, revenue or expenses, results of operations, liquidity, capital expenditures, or capital resources that we believe are material to investors.

Off-Balance Sheet Items

As of March 31, 2021, we had no off-balance sheet items.

Quantitative and Qualitative Disclosure about Market Risk

Credit Risk

We derive most of our revenue from a 30-year contract with RJIL. We have adopted a policy of implanting a prudent and conservative process for managing our credit risk arising in the course of our business activities. Credit risk is actively managed through advance payments.

Liquidity Risk

Liquidity risk arises when we are unable to meet our cash flow commitments on the due date. We have access to global and local financial markets and a large and diversified pool of capital to meet our liquidity requirements. Our treasury team monitors rolling forecasts of our cash flow position and ensures that we are able to meet our financial obligation at all times, including contingencies.

Seasonality of Business

Our business and results of operations are not significantly impacted by the effects of seasonality.

Critical Accounting Policies

Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification as per Schedule III division II of Companies Act. An asset is treated as current when it is: (i) expected to be realized or intended to be sold or consumed in normal operating cycle; (ii) held primarily for trading; (iii) expected to be realized 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.

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 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

As of March 31, 2021, depreciation on Plant and Equipment and building is provided using straight-line method based on estimated useful life of 20 years. The estimated useful life is assessed annually by the Company's management pursuant to relevant accounting standard requirements and is different from the useful life as prescribed under Schedule II to the Companies Act, and in the opinion of the Company this represents the best estimate thereof on the basis of technical evaluation and actual usage period. Leasehold land and leasehold improvements are amortized over the period of lease or useful life whichever is less.

In line with the accounting policy of the Company, the Company has reviewed and assessed the useful life of Property, Plant and Equipment from 20 years to 30 years and adjusted it prospectively for the current financial year ending March 31, 2022.

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 recognized in the Statement of Profit and Loss when the asset is derecognized.

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 recognizes 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 recognizes 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 recognized 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 Units ("CGU") to which the asset belongs.

The lease liability is initially measured at amortized 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 recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

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 capitalized 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 capitalization.

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.

Provisions

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

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 recognized as a finance cost.

Asset Retirement Obligation

Asset Retirement Obligation is provided for where the Company has an obligation to restore the rented premises at the end of the period in a condition similar to inception of the arrangement.

The obligation arising on account of such costs are provided at present value of future restoration and dismantling costs and are recognized as part of the cost of underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

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.

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 lifetime losses to be recognized 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.

Taxation

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

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognized 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 income tax assets on carry forward losses is recognized based on convincing evidence where it is reasonably certain that sufficient taxable profits will be available to utilize those losses. Deferred tax assets are recognized to the extent 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 utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

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.

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 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 recognized 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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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 recognized 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 capitalized 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 recognized in Other Comprehensive Income (“OCI”) or profit or loss are also recognized in OCI or Statement of profit or loss, respectively).

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

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 recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. IP Fees are recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master services agreement entered with customer. Revenue is recognized 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-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, are recognized 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 recognized 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 recognized 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 recognized when the Company’s right to receive the payment is established.

Financial Instruments

Financial Assets

- **Initial recognition and measurement**

All financial assets and liabilities are initially recognized 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 recognized using trade date accounting.

- **Subsequent measurement**

- a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized 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**

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.

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

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

Financial liabilities

- **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in profit or loss as finance cost.

- **Subsequent measurement:**

Financial liabilities are subsequently carried at amortized 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.

- **Derivative Financial Instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

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

Fair Value Hedge

The Company designates derivative contracts or non-derivative Financial Assets and Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to Statement of Profit and Loss over the period of maturity.

Earnings per Share

Basic earnings per share is calculated by dividing the net profit and 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.

Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits and 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.

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.

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 categorized 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.

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 recognized 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 recognized 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 employee's 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 recognized 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 recognized in the statement of profit and loss.

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is extracted from the “Wireless Towers in India: Industry Overview, 2021” report dated July 2021 prepared by Capitel. As used in this Industry Overview, “RJio” refers to RJIL. Data included herein is as of the date of publication of the underlying sources and not as of the date of this Offering Memorandum. Capitel believes that the sources used are reliable; however, we cannot ensure the accuracy or completeness of underlying assumptions of this information, and no representation or warranty, express or implied, is made by the Company as to the accuracy or completeness of the information set forth in this section, and nothing contained in this section shall be relied upon as a promise or representation, whether as to the past or future. This information has not been independently verified by the Company or any of its advisors and should not be unduly relied on. The industry information included in this section may moreover be prepared as of specific dates and may no longer be current or reflect current trends. In addition, some of the information in this section contains forward-looking statements that are based on estimates, projections, forecasts and assumptions that may prove to be incorrect. See “Forward-Looking Statements” for more information. Investors should not place undue reliance on this industry information.

Consolidation of Telecommunication Industry in India

In recent years, the telecommunication industry in India has seen consolidation of major telecommunication companies, from eight players (RJIL, Bharti Airtel Limited (“Airtel”), Idea Cellular Limited, Vodafone India Limited, Aircel, Bharat Sanchar Nigam Limited (“BSNL”), Telenor and Tata Docomo) to four (RJIL, Airtel, Vodafone Idea Limited (“VIL”) and BSNL), which was followed by increasing user base. According to TRAI, the number of wireless telecommunication service subscribers in India increased from 1,127 million as of December 31, 2016 to 1,154 million as of December 31, 2020, and the number of wireless internet subscribers in India increased from 370 million as of December 31, 2016 to 770 million as of December 31, 2020. In addition, according to TRAI, the monthly voice usage per subscriber in India, measured as minutes of usage per subscriber per month, increased from 667 minutes for the three months ended December 31, 2018 to 785 minutes for the three months ended December 31, 2020, and the monthly data usage per wireless subscriber, measured as gigabytes of data usage per wireless data subscriber per month, increased from 0.9 gigabytes for the three months ended December 31, 2016 to 8.7 gigabytes for the three months ended December 31, 2018 to 12.1 gigabytes for the three months ended December 31, 2020. In addition, accordingly to TRAI, the gross revenues of the telecommunication industry in India were US\$9,051 million, US\$8,025 million and US\$9,739 million for three months ended December 31, 2016, 2018 and 2020, respectively.

Operator context and market tenancy demand

Capitel believes that churn from VIL will be complete by FY23 and operator market shares will stabilize.

- VIL is churning customers that purchased a secondary SIM from RJIL and migrated to RJIL as their primary SIM. It is also churning voice users in rural areas that are migrating to a RJIL or Airtel Smartphone, as VIL is optimizing coverage in some of these districts.
- Capitel estimates that VIL has a core loyal (and high ARPU) user base of approximately 75 million users and will also be able to retain approximately 150 million mid-end data users, with a stable base of approximately 225 million users by FY23. Capitel estimates VIL FY23 revenues to be Rs. 503 billion.

Both RJIL and VIL need to launch 5G to increase their blended ARPU; Capitel believes Airtel’s 5G launch will be defensive.

- RJIL has not been able to gain a high share in the postpaid and high ARPU segments, and in general its user base has low-mid end users. It is difficult to improve the ARPU of this user base without an enhanced product, and RJIL will need to offer a 50GB-100GB data product and bundled content to upgrade these users to 5G at a higher ARPU.
- VIL also needs its core loyal user base to migrate to 5G at a higher ARPU, otherwise it will not be able to meet its revenue and EBITDA targets. Capitel estimates that VIL can achieve Rs. 655 billion revenues by FY25 if its core high ARPU user base selectively moves to 5G.
- Airtel is well placed as it has retained all its high-end user base and is now focused on churning semi-urban and rural users with 2300MHz LTE and is also upgrading its own voice users to LTE. Airtel will launch 5G as a defense against others targeting its high-end user base.

Tenancy demand will be led by 4G coverage matching by Airtel in SU/R areas, select 4G capacity / in-fill sites by RJIL and Airtel, and 5G densification on 3.5GHz and 26GHz.

- Capitel estimates a differential of approximately 75,000 coverage sites on 2300MHz between Airtel and RJIL and Airtel will have to deploy approximately 60,000+ sites at least in Tier 3 towns and large villages. The deployment must be on 2300MHz as no other band has the spectrum quantum to allow Airtel to offer 10GB+ data in SU/R markets.
- All operators are deploying in-fill sites within cities, coverage sites on out-skirts of cities, and finally capacity sites within cities to serve rising 4G data traffic. As it will take time for the 5G handset adoption cycle to drive traffic, Capitel believes that Airtel and RJIL will need 4G in-fill sites in the interim.
- Finally, there will be demand from densification of the grid on 3.5GHz band as well as 28GHz hotspot deployments. Capitel believes that operators want to deploy mm wave band (400MHz+ spectrum on a single site) that will offer a 5G differentiated product and also the spectrum is relatively inexpensive.

Capitel estimates a tenancy demand of 669 thousand tenancies from FY21-30, with RJIL accounting for 268 thousand sites, Airtel accounting for 260 thousand, VIL accounting for 126 thousand and other MNOs accounting for 15 thousand gross tenancies.

- Capitel expects deployment by Airtel to go through three broad phases of a) 2.3GHz 4G coverage expansion to match RJIL footprint + 4G capacity sites to manage rising data adoption and usage, b) 5G deployment and urban grid densification on 3.5GHz band and c) deployment of mm wave 26GHz band to service high-capacity use cases around AR/VR, gaming and other 5G.

Towerco context

The portfolio of Indus towers in semi-urban and rural areas was designed for 900MHz and 1800MHz coverage. Indus sites in urban areas are occupied by incumbents and RJIL.

- Indus towers has 80,000 sites in the rural area but as the portfolio was formed by pooling of Airtel, Vodafone and Idea grids, these rural sites are suitable for tenancies on 900MHz with some sites suited for 1800MHz.
- A major share of Indus sites have occupancy from Airtel, with urban grids fully occupied by VIL and selectively occupied by RJIL. If Indus wants to address demand from 5G in urban areas, it will have to build new sites.

The ATC portfolio was formed mainly on a grid of 1800MHz and has available site locations for new tenancies.

- Capitel estimates that ATC has approximately 40K sites in rural areas and that grid is for 900Mhz / 1800MHz as ATC acquired portfolios from operators such as Tata (1800MHz, 850MHz), Telenor (1800MHz) and other new entrants. ATC has urban sites from Vodafone / Idea tower acquisition
- ATC has available locations across the portfolio, and Capitel believes it can gain market share from Airtel and RJIL in semi-urban and urban areas for 4G and 5G.

Summit's portfolio was formed to serve 2300MHz demand in urban, semi-urban and rural areas.

- Before RJIL's deployment of LTE on 2300MHz, incumbents such as Airtel and Vodafone used 900Mhz for GSM coverage, 1800MHz for GSM in-fills and LTE, and finally 2100MHz for 3G, mainly as loading on existing site locations.
- When RJIL started deploying 2300MHz, it leased almost all the relevant site locations from Indus, ATC and others that fit-in with its 2300MHz grid plan, but there were still gaps as the underlying tower grids were designed for a lower frequency band. This gap was high particularly in outskirts of urban markets, semi-urban areas and large villages / cluster of villages.
- The RJIL own tower portfolio (now Summit) was formed to plug-in the in-fill gaps within urban markets and coverage gaps within semi-urban and rural markets for any operator deploying on 2300MHz or higher bands.

Towerco market shares

Capitel believes that Summit is best positioned among all towercos to address the upcoming demand on 2300MHz for 4G.

- Summit site locations are best placed to address demand on 2300MHz. Airtel (or VIL) will have to deploy sites on 2300MHz if they want to match RJIL's offerings of 10GB+ monthly data buckets.
- There is no other grid better placed in semi-urban and rural markets to address demand from 2300MHz deployment than Summit as the portfolio was designed for this band and has sites within tier 2 and tier 3 towns (rather than covering these towns using 900MHz from outskirt locations) and large villages.

Both Indus and Summit will need to deploy new sites to address 5G demand, and ATC can use some of its existing footprint in urban markets to gain share. Towercos with access to fiber, street furniture and capital will be best placed for 5G share gain.

- As incumbents are already occupying Indus sites in urban markets, Indus will need to deploy new sites if it wants to capture incremental 5G tenancy demand. Indus can lease fiber from its partner operators but does not have the operational experience to deploy fiber or street furniture.
- ATC has availability on its urban sites and will gain share. However, ATC will need to fiberize these sites and lease fiber from the open market – unlike Indus, ATC does not have a RoFR agreement with any operator and is dependent on the open market for tenancy gain / fiber lease / street furniture agreements. Capitel believes that the lack of fiber footprint may constrain some 5G market share gain potential for ATC.
- Summit is equally placed with other towercos to address demand in urban areas form 5G. It can lease fiber on wholesale basis from its partner operators and gain access to street furniture from municipalities and smart cities. Summit will also need to do new builds in urban areas for 5G. Summit can gain from amendments on 2300MHz and also semi-urban deployment of 5G on 3.5GHz.

Capitel does not expect pricing pressure on base rentals for macro tower business. There will be some revision of loading terns especially at the time of renewals. The unit economics of micro-sites / small cells / street furniture business will evolve over time.

- The unit economics of street furniture can only be assessed based on global benchmarks and may end up being lower than macro tower business unless there is significant innovation in tower design, institutional tie-ups and access to fiber at a fair market price.

Capitel believes there can be some upside from edge data centers and other areas for non-tower revenues, although Capitel expects these to contribute to less than 15% of the tower revenues.

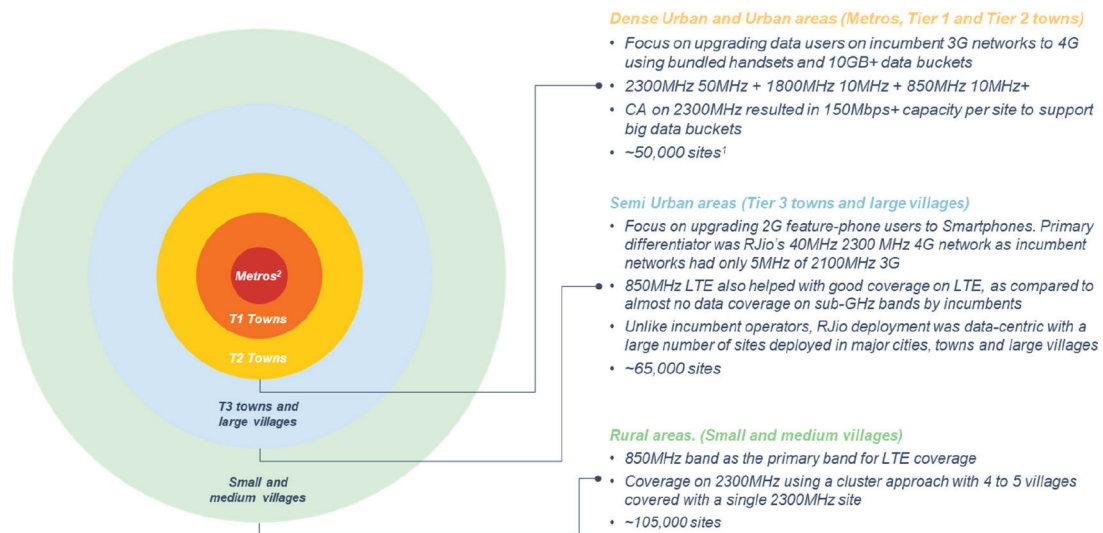
Operator Context: 4G

Wireless market disruption by RJIL

RJIL disrupted the India wireless market with big 4G data buckets using its 2300MHz spectrum for 4G capacity and 850MHz spectrum for rural 4G coverage. In urban areas RJIL focused on bundled handsets and providing high data buckets to users, to upgrade them from 3G to 4G by deploying the 1800MHz to 2300 MHz band to support high data requirements.

In semi-urban areas it focused on upgrading 2G users to 3G/4G supporting smartphones by deploying the 2300 MHz spectrum band and on coverage by deploying LTE on the 850 MHz band in major cities, towns and villages. Around 50 per cent. of RJIL site deployment was in rural regions on the 850 MHz band to increase coverage and on the 2300 MHz band in key village clusters.

Figure 1. RJIL 4G GTM and network plan in T2, T3 towns and villages



Note 1. Includes sites leased from third party providers and sites built by Rjio that were later transferred to Summit Digital 2 Population range: Metros 20mn+, Tier 1 cities 10mn to 20mn, Tier 2 cities > 1mn, Tier 3 towns 10K to 1mn; Large villages > 2 K to 10K, Medium villages 1K to 2K, small villages < 1K

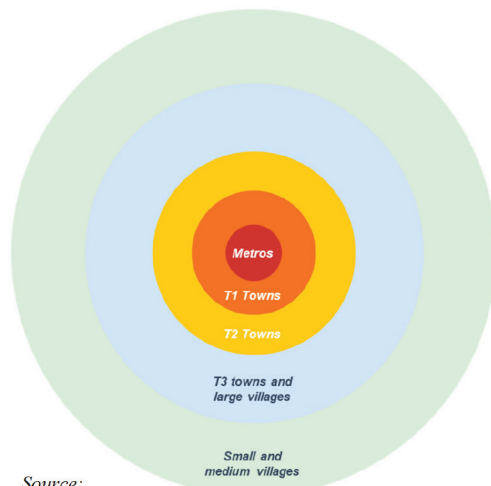
Source: Capitel analysis, engagement experience

Airtel expands footprint to match RJIL's 2300MHz network

Airtel matched RJIL's urban footprint by FY20 by increasing site deployment on the 2300 MHz band and is at par with RJIL on network coverage and spectrum holding. It is deploying sites to match sub-urban and Tier 3 network coverage on 2300MHz to match RJIL footprint; In rural regions it re-farmed 900 MHz to LTE to retain its subscriber base from churning to RJIL

VIL is only matching RJIL in urban and high revenue market share semi-urban markets.

Figure 2. Airtel and VIL coverage gap vs. RJIL on 2300MHz



Source:
Capitel analysis,
engagement experience

| | Urban | Semiurban | Rural |
|-------------------------------|---|---|---|
| Airtel, FY19-20 | Deployed 2300MHz band Increased sites to ~35,000 | Deployed 2300MHz band Increased sites to ~55,000 | Re-farmed 900MHz to LTE Did not increase sites |
| Difference, FY21 | Network coverage and spectrum holdings at par with Rjio | Still matching Rjio coverage on 2300MHz in Tier 3 towns – expected to complete by FY23-FY24 | Will only add limited additional sites |
| | Urban | Semiurban | Rural |
| Vodafone_Idea, FY19-20 | Selective deployment of 2300MHz / 2500MHz Sites constant | Only deploying 2300MHz in circles with high RMS | Has 900MHz only in select circles – re-farming to 4G |
| Difference, FY21 | Need further densification on 2300MHz 4G | Will deploy some additional sites to match Rjio in towns where VIL has been strong | Is optimizing sites from areas of low RMS; exiting select districts |

Note 1. Revenue market Share

Fragmentation of VIL subscriber base with RJIL secondary SIM attach

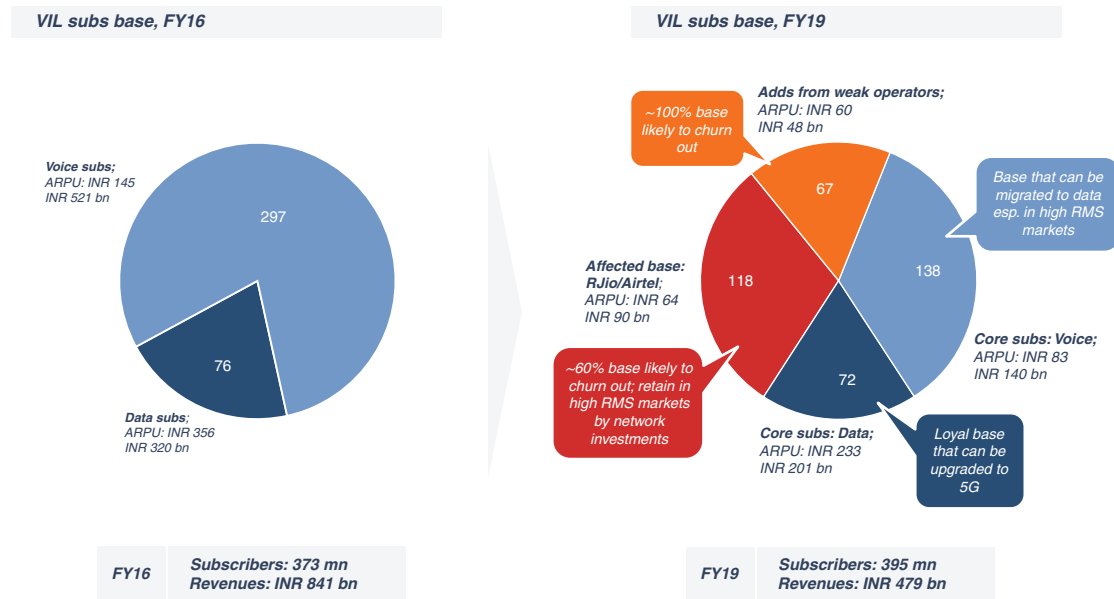
In addition to upgrading feature-phone users of Airtel, VIL and other weaker operators to smartphones, RJIL also attached secondary SIMs to the smartphone users of these operators. A secondary SIM user will have a handset that supports dual SIM, and the user can choose the SIM to be used for a service. When a Vodafone 3G data user buys a RJIL SIM for their handset, the RJIL SIM is by default the SIM used for 4G services.

The Vodafone SIM continues to be reflected as a customer on the Vodafone network, although all the data ARPU and usage shifts to RJIL and the Vodafone number may get incoming calls, other voice usage and only some data usage. This shifts the overall data ARPU to RJIL with a decline in Vodafone ARPU. If over time, Vodafone is not able to match the pricing (which operators matched) and network experience (which Airtel matched with its 2300MHz offering) then the customer makes RJIL as the primary SIM and may deactivate the Vodafone SIM or keep it dormant with incoming usage at very low ARPU.

As Airtel had 2300MHz band and invested in networks, it was able to contain the secondary to primary SIM conversion. Vodafone and Idea only selectively matched the RJIL network experience and were the worst hit with the secondary SIM churn to RJIL. In addition, the customers they had acquired from weaker exiting operators such as Aircel also eventually moved to RJIL smartphones.

This fragmentation of VIL subscriber base into core high value users, voice customers in semi-urban/rural areas, subscribers gained from weaker exiting operators and finally the subscribers with a RJIL secondary SIM is illustrated in Figure 3 on the following page. This fragmentation reduced the ARPU and also shrunk the customer base, with a sharp decline in VIL revenues.

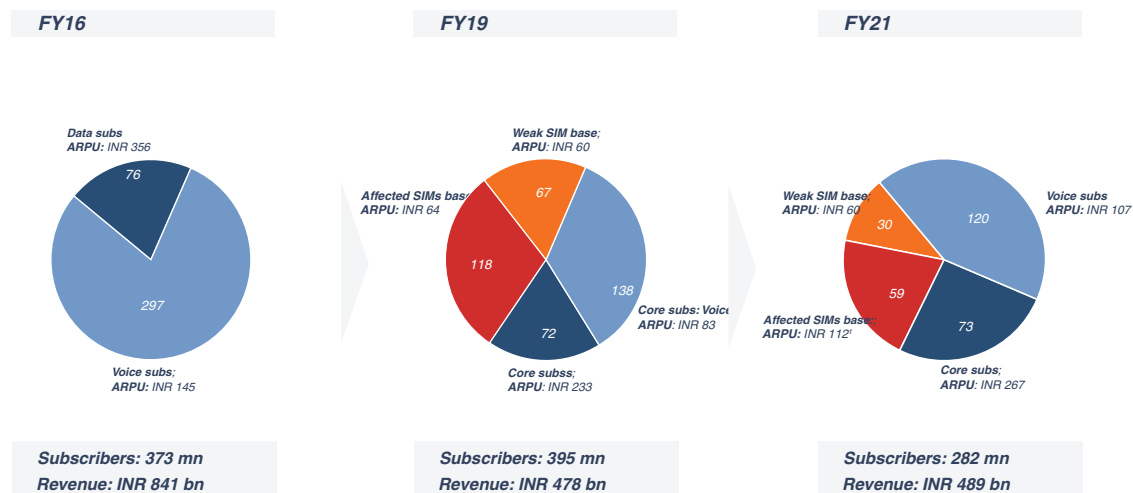
Figure 3. Fragmentation of VIL subscriber base, estimates



Source: Capitel analysis, engagement experience

The churn is expected to continue for the coming 6 to 8 quarters as VIL voice subs to RJIL/Airtel data migration will continue, with churn of weak/affected SIM base. Capitel estimates a FY21 subscriber base of 282 million for VIL.

Figure 4. Expected evolution of VIL subscriber base and revenue

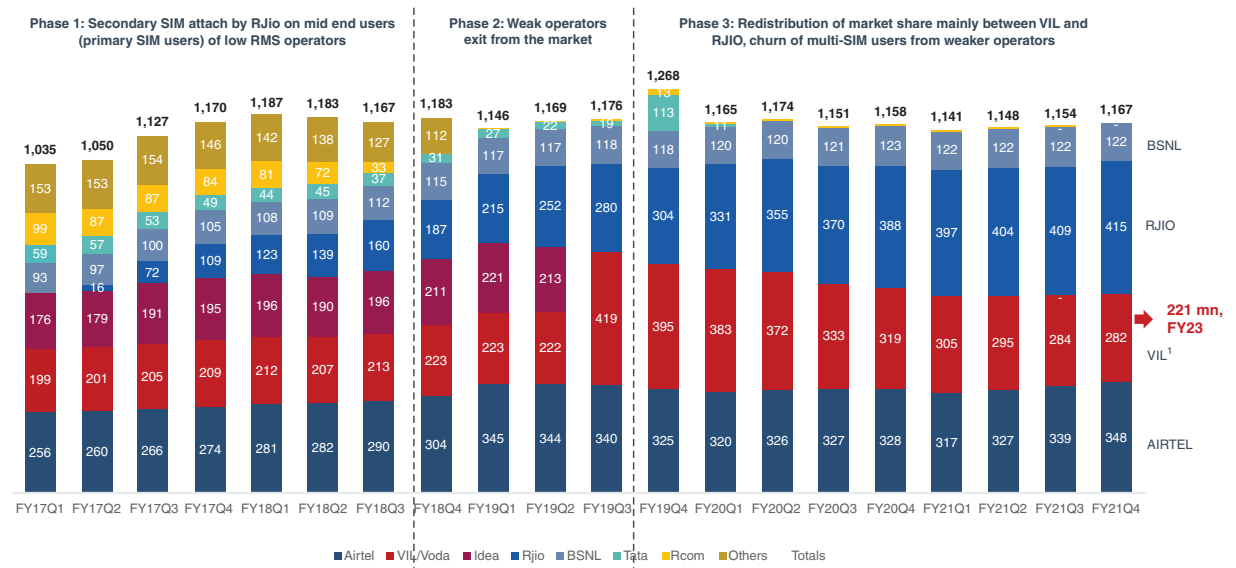


Note 1. Assuming users in the remaining 59mn with RJio secondary SIM did not move to RJio as their primary SIM and are using a VIL data connection.

Source: Capitel analysis, engagement experience

Capitel expects the churn and migration process to be completed by FY23-24 and the VIL base is estimated to stabilize at ~221 million by FY23.

Figure 5. Historical evolution of subscriber base by operator



Note 1. VIL subscribers base of 282 mn as on Feb-21, reported by TRN

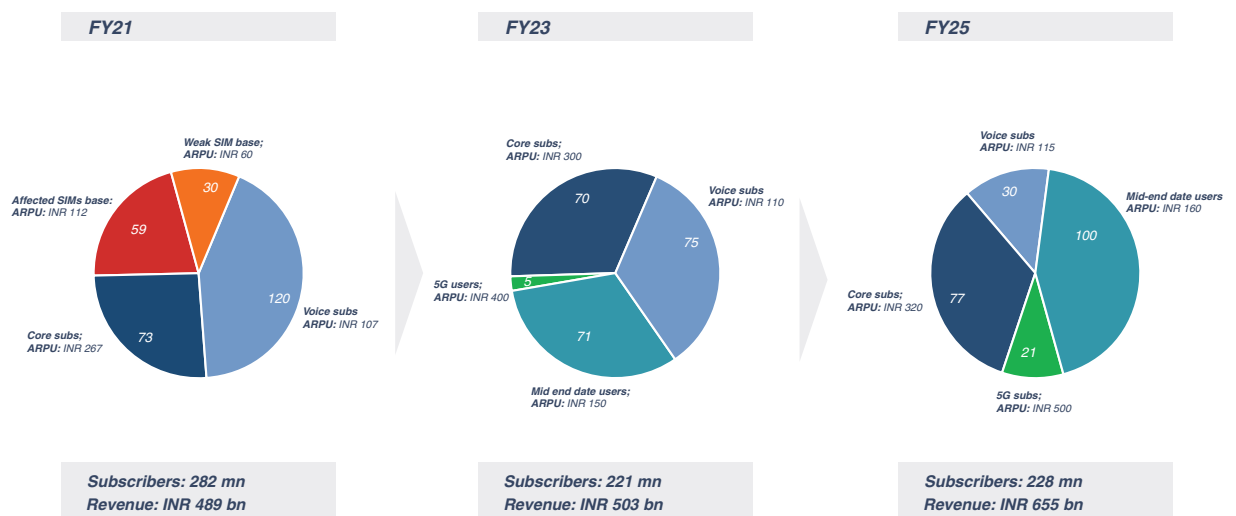
Operator Context: 5G

VIL 5G strategy

Capitel believes that VIL's going forward strategy is almost entirely based on 5G given they skipped the 4G technology upgrade cycle. They have been able to hold on to their loyal, high value core customer base particularly in markets such as Gujarat, Maharashtra, Kerala, UPW and others where they have been traditionally strong with 900MHz, 1800MHz and 2100MHz bands and a good mix of postpaid users, business users and mid-high end customers.

The VIL business plan is contingent on a) adoption of 5G by this core user base and an increase in their ARPU, b) 4G adoption by their mid-end user base in tier 1 / tier 2 cities in top 16 circles, and some retention of their voice user base, again in target districts. The weak operator user base and secondary SIM attach base will churn out over time. Capitel estimates that VIL subscriber base will reduce to 228 million users by FY25, but with higher data adoption and increase in ARPU because of 5G, the revenue will improve to Rs. 655 billion. This is lower than the Rs. 841 billion revenues for VIL in FY16 but is likely to be more profitable and sustainable.

Figure 6. VIL subscriber base and revenue projection



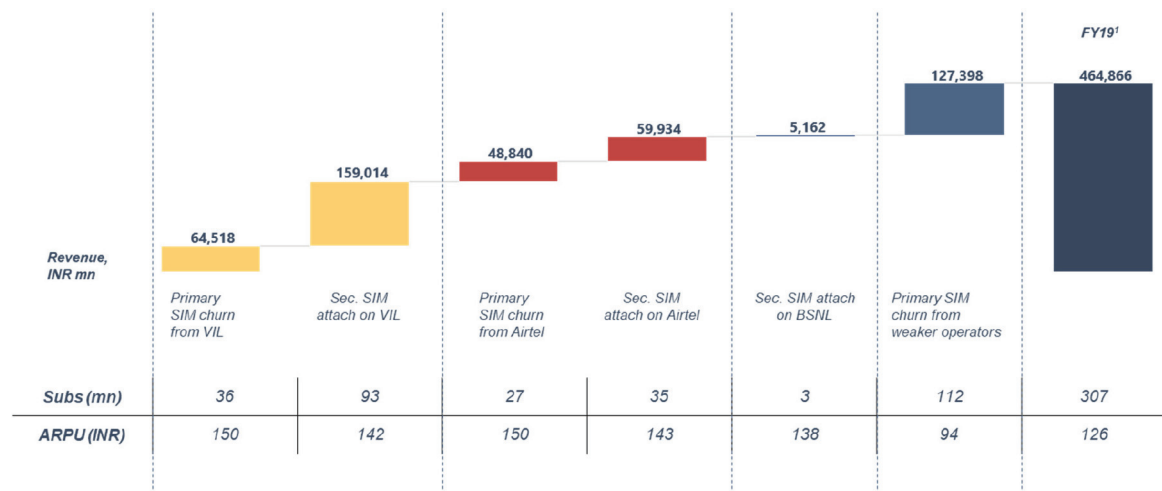
In line with this GTM strategy, Capitel expects VIL to buy 3.5GHz and 28GHz spectrum and deploy them in select circles beginning FY23.

RJIL 5G strategy

RJIL subscriber base was aggregated using secondary SIM users from VIL/Airtel, subs from existing operators and feature-phone users upgraded to Smartphones in semi-urban / rural areas, with a mix of different levels of ARPU, as illustrated in Figure 7.

The primary offering from RJIL to a majority of these users was the Rs. 150 ARPU plan, with 1GB+ daily data buckets. Given that there is limited scope in upgrading users on offering additional data on 4G plans, with some users already in the low-medium ARPU category, RJIL will need a new differentiated product to upgrade at least a section of their customer base to higher ARPU plans.

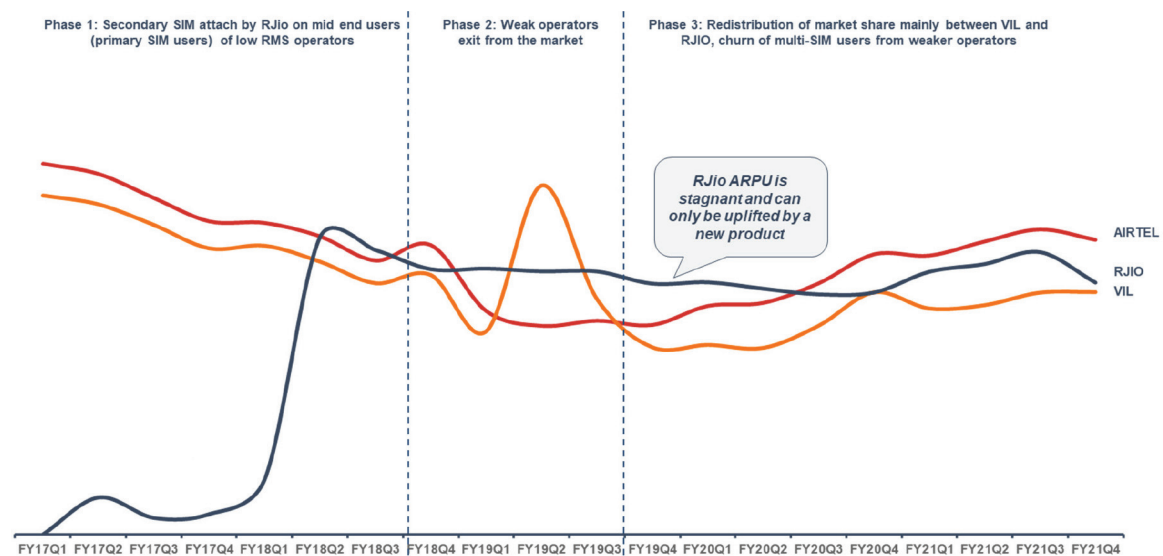
Figure 7. Composition of RJIL revenues by source segment, Mar'16 – Mar'19, estimates



Source: Capitel analysis, engagement experience

The RJIL blended ARPU is higher than VIL due to 100% data adoption, but it has been almost stable over time as illustrated in Figure 8. Capitel believes that the primary motivation of RJIL to launch 5G will be to upgrade their user base to 50GB+ data buckets and new devices / services that will increase the overall ARPU.

Figure 8. Operator ARPU evolution, FY18—FY21, Rs.



Source: Capitel analysis, engagement experience, TRAI

Capitel believes that RJIL will lead the 5G deployment with big GB buckets and Airtel and VIL will match its offerings to defend their core user base, and also grow their revenues.







Spectrum plan for 5G

Global operators are using a mix of low frequency band such as 700MHz, 850MHz or 900MHz, along with 2300MHz, 3.5GHz and 26GHz / 28GHz bands to launch 5G. The mix of low and mid-frequency band spectrum is typically a function of existing holdings for 4G.

For India, Airtel and RJIL have 2300MHz as the 4G band, and Capitel expects this band to be used for primary 4G+5G DSS in the marketing launch stage. RJIL will use its 850MHz holdings for 5G coverage DSS to achieve a pan-India 5G footprint, although the experience on 15MHz will be nominal. VIL will also re-farm their 900MHz holdings in all its high RMS markets to 4G/5G DSS and use 1800MHz / 2300MHz / 2600MHz for 4G/5G DSS in urban markets.

All operators will have to use 3.5GHz for 5G mobility as only that band will have the required quantum of spectrum to support a differentiated experience on 5G, especially as 2300MHz is already carrying 4G traffic. Finally, operators will buy 28GHz band with anywhere from 100MHz to 400MHz spectrum for hotspots, fixed wireless access and other high capacity services. The likely band plans for major operators in India and similar models by global operators is detailed in Figure 9.

Figure 9. Expected 5G spectrum band usage by operator

| 850MHz + 2300MHz + 3.5GHz + 28GHz | 2300MHz + 3.5GHz + 28GHz | 2600MHz + 3.5GHz + 28GHz |
|---|---|--|
| <ul style="list-style-type: none"> 850MHz as the DSS¹ band for nation-wide 5G coverage 2300MHz (or AWS bands or other C bands) DSS for 4G + 5G traffic Software upgrade of 4G radios to 5G + 5G NR 3.5GHz as the overlay layer for metros and urban markets 26GHz, 400MHz+ for hotspot coverage for gaming zones, other high-capacity use cases | <ul style="list-style-type: none"> 2300MHz (or AWS bands or other C bands) DSS for 4G + 5G traffic, mainly in urban markets No coverage of rural markets on 5G for the initial years — use of 700MHz band or re-farmed 900MHz band in the later stages (FY25 onwards) Software upgrade of 4G radios to 5G + 5G NR 3.5GHz as the overlay layer for metros and urban markets 26GHz, 400MHz+ for hotspot coverage for gaming zones, other high-capacity use cases | <ul style="list-style-type: none"> 2600MHz (or AWS bands or other C bands) DSS for 4G + 5G traffic, mainly in urban markets No coverage of rural markets on 5G for the initial years — use of 700MHz band or re-farmed 900MHz band in the later stages (FY25 onwards) Software upgrade of 4G radios to 5G + 5G NR 3.5GHz as the overlay layer for metros and major markets (12 circles) 26GHz, 400MHz+ for hotspot coverage for gaming zones, other high-capacity use cases |
|   |   |   |

Note 1. Dynamic Spectrum Sharing

Source: Capitel analysis, engagement experience, TRAI

Capitel expects operators to purchase 3.5GHz and 28GHz bands in the upcoming auctions for a commercial launch of 5G and use DSS on 2300MHz / 2500MHz / 1800 MHz for a marketing launch in the interim, as detailed in Figure 10 on the following page.

Figure 10. Expected spectrum roadmap by operator, by band

| Spectrum band | 2021 ¹ | 2022 | 2023 | 2024 | 2025 | 2026 (E) -> |
|-----------------|--------------------------|--------------------------|--------------------------|-------------------------------|--------------------------------------|-------------------------------|
| 700MHz | Not assigned | Not assigned | Not assigned | 10MHz 5G (Airtel) | 10MHz 5G (Airtel) | 10MHz 5G (Airtel) |
| | Not assigned | Not assigned | Not assigned | 10MHz 5G (R.Jio) | 10MHz 5G (R.Jio) | 10MHz 5G (R.Jio) |
| 850MHz | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) |
| 900MHz | GSM/3G/LTE [3G shutdown] | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) [GSM shutdown] | LTE (VIL, Airtel) |
| 1800MHz | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) | LTE (R.Jio) | LTE (all operators) |
| | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) | GSM/LTE (VIL, Airtel) [GSM shutdown] | |
| 2100MHz | 3G/LTE [3G shutdown] | LTE (VIL, Airtel) | LTE (VIL, Airtel) | LTE (VIL, Airtel) | LTE (VIL, Airtel) | LTE (VIL, Airtel) |
| 2300MHz/2500MHz | 35MHz LTE (Airtel) | 35MHz LTE (Airtel) | 35MHz LTE (Airtel) | 35MHz LTE (Airtel) | 35MHz LTE (Airtel) | 35MHz LTE (Airtel) |
| | 40MHz LTE (R.Jio) | 40MHz LTE (R.Jio) | 40MHz LTE (R.Jio) | 40MHz LTE (R.Jio) | 40MHz LTE (R.Jio) | 40MHz LTE (R.Jio) |
| | 20MHz LTE (VIL) | 20MHz LTE (VIL) | 20MHz LTE (VIL) | 20MHz LTE (VIL) | 20MHz LTE (VIL) | 20MHz LTE (VIL) |
| 3500 MHz | Not assigned | 50MHz 5G (all operators) | 50MHz 5G (all operators) | 50MHz 5G (all operators) | 50MHz 5G (all operators) | 50MHz 5G (all operators) |
| 28GHz | Not assigned | Not assigned | Not assigned | 400MHz 28GHz 5GHotspots (all) | 400MHz 28GHz 5GHotspots (all) | 400MHz 28GHz 5GHotspots (all) |

Spectrum auction completed in Mar 21 for 900MHz, 1800MHz, 2100MHz, and 2300MHz
 Spectrum auction for 3500MHz band
 Spectrum auction for 700MHz & 28GHz band

Note 1. Includes results from the spectrum auction held in March 2021.

Source: Capitel analysis, engagement experience, TRAI, DoT, company reports

The tenancy forecast model is mainly led by coverage densification on 3.5GHz and 28GHz, and although the quantum of spectrum is important, it does not have a significant impact on 5G tenancy demand.

5G adoption

The launch of 5G has two types of impact on the subscriber base, a) increase in number of devices per person particularly in metros and urban markets, and b) change in subscriber base mix with increasing adoption of 5G over time.

Operators across markets understand that they will need a differentiated customer proposition in order to charge a premium for 5G. Consultation paper responses for 5G by operators such as Singtel suggest that there will be an explosion in the number of devices that are “lower in cost, smaller and light weight”¹, with major emerging areas such as cloud gaming and VR/AR/MR terminals. Capitel believes that in India also, the commercial launch of 5G will result in an increase in additional devices with new form factors. This will increase the user base that will be offset by some reduction due to multi-SIM consolidation on 4G.

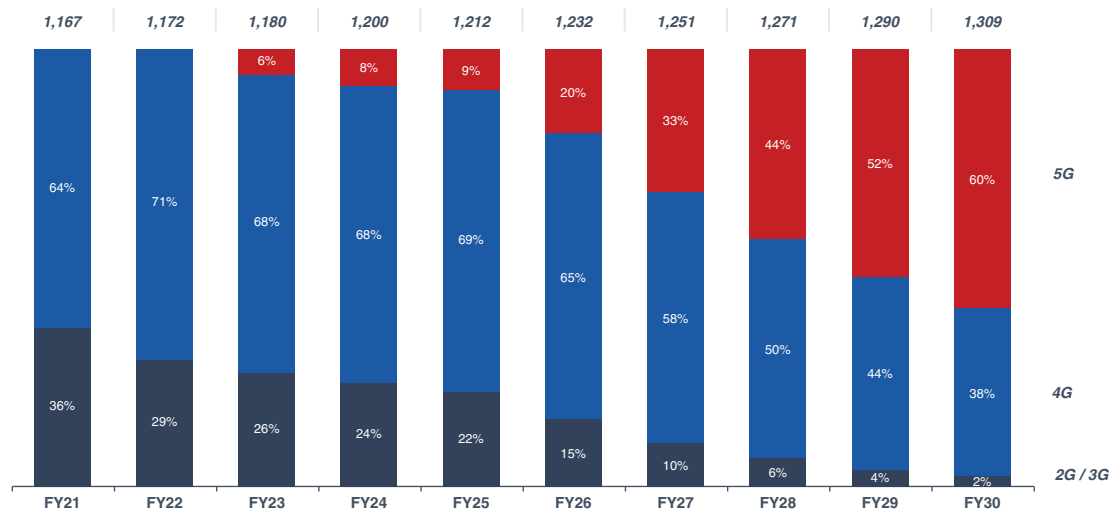
It will be in operator’s interest to drive 5G adoption as fast as possible as particularly in the initial stages, the incremental Capex for 5G network upgrade will be lower as compared to the returns. As the handset price decline cycle will take time, Capitel expects mainstream adoption of 5G only from FY25, and expect 5G penetration to be 60 per cent. by FY30. GSMA² estimates that 5G will account for 29 per cent. of user base in Europe in 2025, with China at 67 per cent., and other developed markets such as Japan, the U.S. and South Korea at more than 50 per cent. adoption by 2025 (FY26).

Capitel believes that its estimates of approximately 20 per cent. 5G penetration by 2025/FY26 is in line with global adoption estimates and the likely handset affordability curve. Capitel’s estimates for the overall subscriber base and share of technology is shown in Figure 11.

¹ <https://www.imda.gov.sg/-/media/Imda/Files/Regulation-Licensing-and-Consultations/Consultations/Consultation-Papers/Second-Public-Consultation-on-5G-Mobile-Services-and-Networks/Second-5G-Consultation-Singapore-Telecommunications-Limited.pdf?la=en>

² GSMA Mobile Economy 2020 Europe, GSMA Mobile Economy China 2021

Figure 11. Market evolution, by technology



Source: Capitel analysis, engagement experience

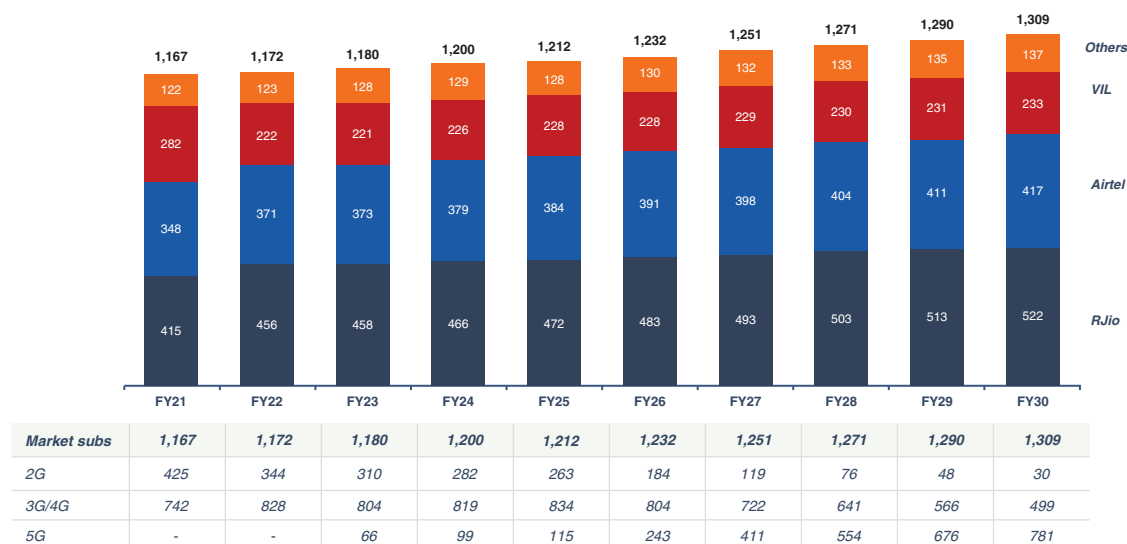
Operator market shares

Capitel expects RJIL to continue to be the market leader in terms of subscriber base, particularly as it has a strong presence in the broadband under-served towns in semi-urban and rural areas. It will also have a strong 5G offering that will contribute to some increase in the base with additional devices and terminals.

Capitel expects Airtel to gain 4G user base from semi-urban and rural areas in addition to new devices led 5G subs base in urban markets. VIL is likely to become a provider with stronger presence in its traditionally high RMS markets, and marginal presence in the balance 6+ markets. It also loses its 4G user base while gaining some 5G additional SIMs.

RJIL is expected to increase market share from 36 per cent. in FY21 to 40 per cent. by 2030, Airtel retains market share between 30 per cent. to 32 per cent. while VIL loses share to RJIL and Airtel by approximately 5 per cent., as set out below in Figure 12.

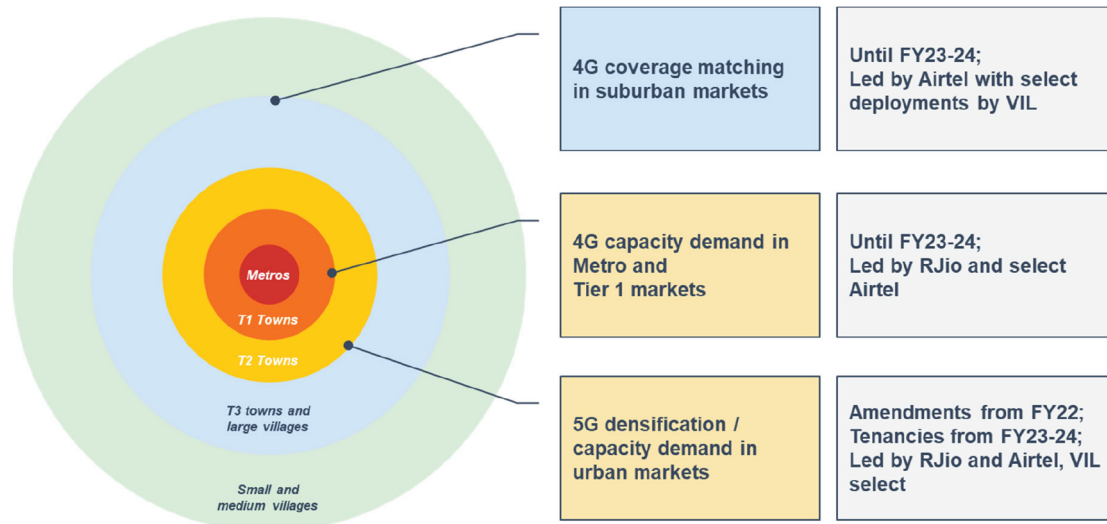
Figure 12. Customer market share by operator, estimates



Tenancy Growth Drivers

At the current stage of the market, Capitel believes there are three major drivers for tenancy demand, namely, 4G coverage matching by Airtel and VIL, 4G capacity demand in select markets and finally, 5G densification on 3.5GHz and 28GHz mm wave bands, as illustrated below.

Figure 13. Tenancy growth drivers, FY21-30



2300MHz 4G coverage matching by Airtel and VIL

Capitel estimates that Airtel has a coverage gap of 75,000 locations with RJIL on 2300MHz as illustrated in Figure 14.

Figure 14. Airtel-RJIL coverage gap on 2300MHz, Estimates

| Area category | | RJIO 2300MHZ InstalledFY20 | Airtel 2300MHZ InstalledFY20 | Airtel RJIO 2300MHZ coverage gap | Tenancy demand drivers |
|---------------|-----------------|----------------------------|------------------------------|----------------------------------|--|
| Urban | Metros | 75,000 | 70,000 | 5,000 | <ul style="list-style-type: none"> Nominal coverage gap in dense urban and urban locations as Airtel has been rolling out 2300MHz sites from FY19to match RJio |
| | Tier 1 cities | | | | |
| | Tier 2 Cities | | | | |
| Semiurban | Tier 3 towns | 90,000 | 60,000 | 30,000 | <ul style="list-style-type: none"> Airtel will have to deploy 2300MHz if it wants to provide 10GB+ data buckets in these markets Other bands do not have the spectrum capacity Airtel will like to gain share in chunk of VIL users and also defend its SU user base from migrating to RJio |
| | Large villages | | | | |
| Rural | Medium Villages | 75,000 ¹ | 35,000 | 40,000 | <ul style="list-style-type: none"> Airtel will only match coverage gap in large villages (20,000+ population) as the investment case for two operators beyond this pop will have low returns |
| | Small Villages | | | | |
| Total | | 240,000 | 165,000 | 75,000 | <ul style="list-style-type: none"> Overall Airtel will need to deploy 60K + sites to match RJio's proposition in SU and R markets |

Note 1. Excludes Reliance Infratel grid on 850MHz

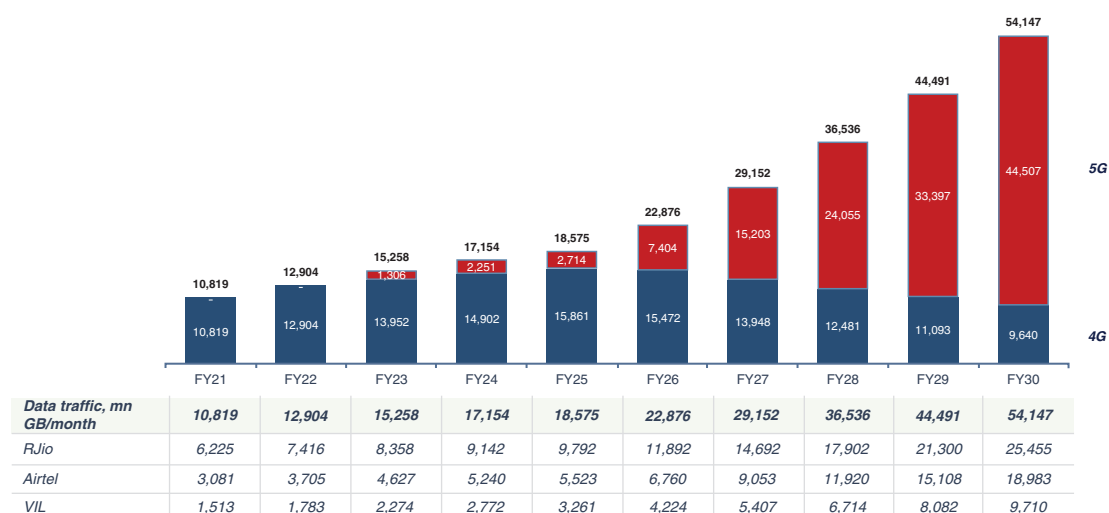
As VIL is vacating some of the rural districts particularly in Cat C markets where it has a marginal revenue market share, as well as other weaker Category A and B circles, Airtel is also investing in its network to gain a share of these subscribers. Capitel believes that Airtel will not go beyond large villages given it does

not subsidize handsets. However, Capitel expects that Airtel will match RJIL in their 2300MHz network coverage in city outskirts, in-fill areas, tier 2 towns, tier 3 towns and large villages. Capitel also expects VIL to strengthen 4G coverage on 2300MHz/2500MHz bands in circles with strong revenue market shares.

4G capacity demand in metros and tier 1 markets

With increasing data adoption and 10GB+ data buckets becoming a norm, Capitel finds an increase in overall 4G data traffic, at least until 5G is launched and traffic begins to shift to 5G from FY24-25. The increase in 4G traffic necessitates additional capacity sites for 4G particularly in tier 1/tier 2 towns with large population clusters, high penetration of smartphones and rising data usage.

Figure 15. Data traffic by technology, million GB/month



Capitel believes that one of the differentiating factors of a 5G (eMBB) offering in the initial years will be big data buckets. For operators to ask their users for even a 20 per cent. to 30 per cent. higher ARPU commitment, there has to be an additional incentive, and Capitel expects 50GB+ plans along with high resolution AR/VR content to be the flagship 5G propositions in the early years (before SA services with network slicing and other IoT/low latency services kick-in in the later years). Such an offering gets reflected in rapidly rising 5G traffic from FY25, with 5G accounting for 50 per cent. to 60 per cent. data traffic after FY27.

5G densification on 3.5GHz and 28GHz

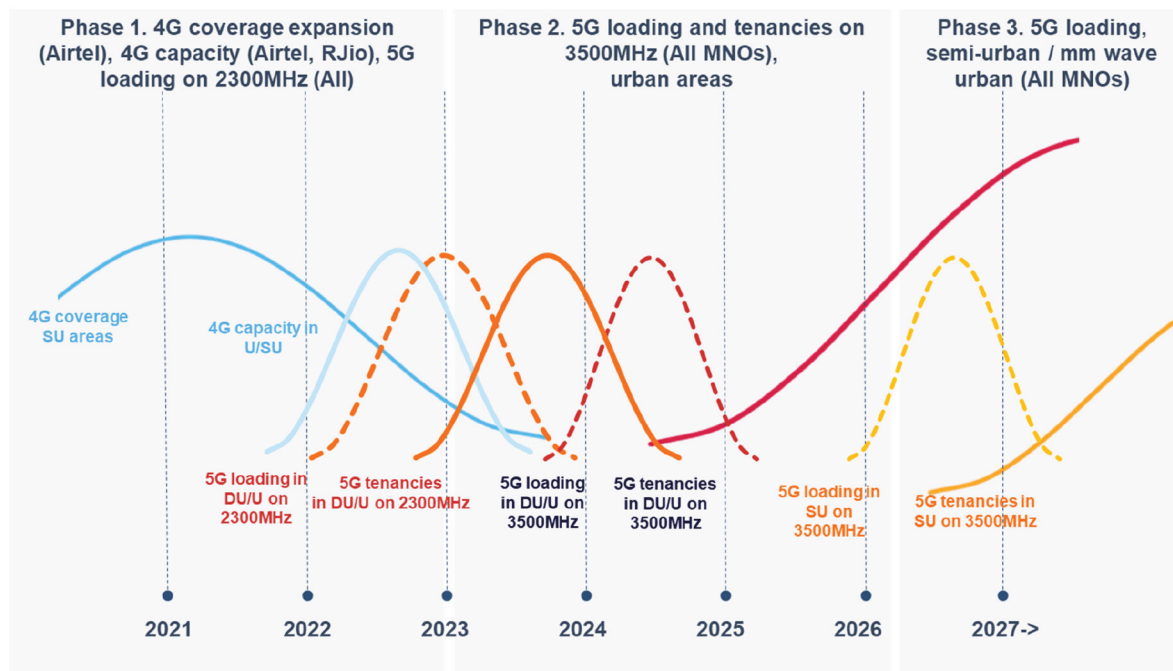
Finally, Capitel believes the demand for tenancies will be from network densification to support 5G on high frequency bands such as 3.5GHz and 28GHz. In markets in Asia and Europe where 5G has been launched, operators are deploying 400MHz to 800MHz spectrum on 26GHz/28GHz bands, and 50MHz to 100MHz on 3.5GHz bands.

As the primary initial offering is big GB buckets, with even higher consumption by connected cars in the later stages, operators will have to densify their networks for these bands. Operators will try and match such densification to 5G device adoption and content availability cycle and will initially try and use their 2300MHz/2600 MHz/1800 MHz bands to offer 5G in a DSS³ mode.

Capitel believes that the initial stages of 5G launch (mainly a marketing launch) will be based on such a DSS platform, with operators optimizing their Capex spend on active equipment as well as new tenancies. There will be loading revenues from installation of new 5G antennas, 5G base stations for DSS and additional space for power back-ups and fiber provisioning.

³ Dynamic Spectrum Sharing refers to the use of the deployed quantum of spectrum to support 4G as well as 5G traffic with real-time allocation of spectrum resources between 4G and 5G based on demand

Figure 16. Loading and tenancy cycles for 4G and 5G



There will be some minor densification required on 2300MHz 4G/5G DSS bands in tier 1 towns initially for the marketing launch, with major demand for 5G tenancies coming from commercial launch and deployment of 3.5GHz bands in Phase 2 beginning FY23. In the Phase 3 of the deployments, Capitel expects expansion of 5G footprint to Tier 2 and Tier 3 towns as well as mm wave 28GHz expansion. This phase-wise evolution of loading and tenancies informs Capitel's tenancy forecast model in the following section.

Tenancy Demand Forecast

FY21-30 Tenancy Forecast: Modeling Approach

Capitel uses its coverage-capacity forecast model to develop base station and tenancy demand by operator, by frequency band and by regions. Capitel uses tenancy forecast model to evaluate 30+ tower deals globally including transactions in multiple markets such as India, China, Myanmar, Bangladesh, Indonesia, Malaysia, The Philippines, Africa, Japan, Australia and Europe. There are six major modules in the coverage capacity model, as illustrated in Figure 17. The model has the following sections:

1. Ending data subscriber base and mix, FY21-FY30: This is generally based on a need-affordability analysis that indicates if subscribers can afford the service and esp. handsets and whether they need the service. Capitel has used models in their prior engagement experience for 4G and 5G adoption in these markets and also look at the consumer income levels vs. handset pricing.

2. Incremental capacity base stations, FY21-FY30: Capitel calculates data traffic demand (million Mbps) based on GB data consumed per subscriber per month for the number of subscribers attached to the 4G and 5G network, including FWA demand. The data traffic supply is calculated based on the spectrum holding of MNO and the number of 4G and 5G sites deployed in that region. Capitel also analyzes the potential impact on market share and tenancy demand from Bharti Airtel and RJIL with optimized footprint of VIL.

3. Incremental coverage base stations, FY21-FY30: Capitel calculates the number of coverage base stations on 700MHz, 2.6GHz, 3.6GHz, 26GHz / 28GHz and other relevant bands for 5G for the geographical segments and for each of the operator. Capitel develops the starting coverage mix based on the current site deployment and site mix database.

Figure 17. Macro model coverage-capacity approach

4. Incremental tenancies, FY21-FY30: Incremental base station demand is the sum of incremental coverage and capacity base station demand. The percentage of loading (on currently occupied sites) depends on the inter-site distance of the underlying grid, and spectrum band of incoming coverage base stations. Capitel calculates incremental tenancy demand as total base station demand less loading demand and split it into sharing demand and build to suit demand, depending on availability of towers to operators for sharing.

5. Incremental towers, FY21-FY30: Finally, Capitel aggregates the build to suit demand from all operators and forecast the demand for new towers by estimating the number of tenancies at locations where new towers are required resulting from coverage expansion or densification of existing grid.

FY21-30 Tenancy Forecast: Market

Capitel estimates a total market demand of 669,125 tenancies from FY21-30, led by RJIL and Airtel, with the 4G demand focused on semi-urban and rural, and 5G demand in urban and dense-urban areas, as set forth in figures 18 below.

Figure 18. Overall market tenancy demand by topology

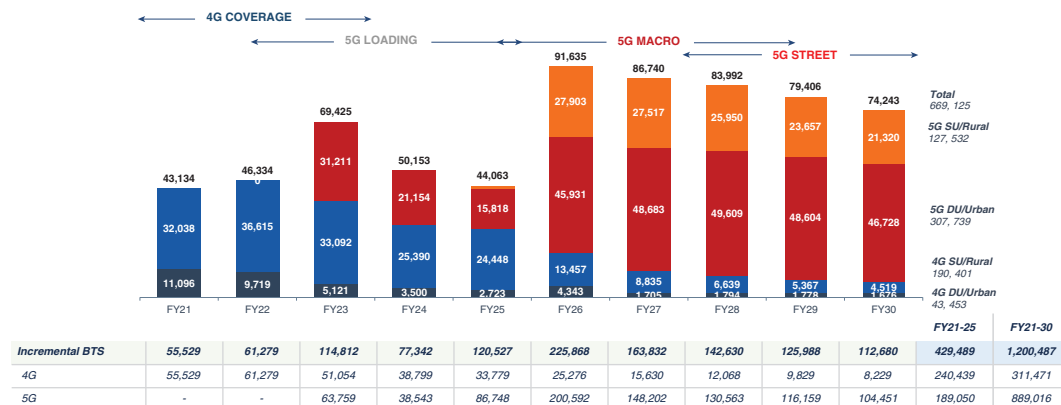
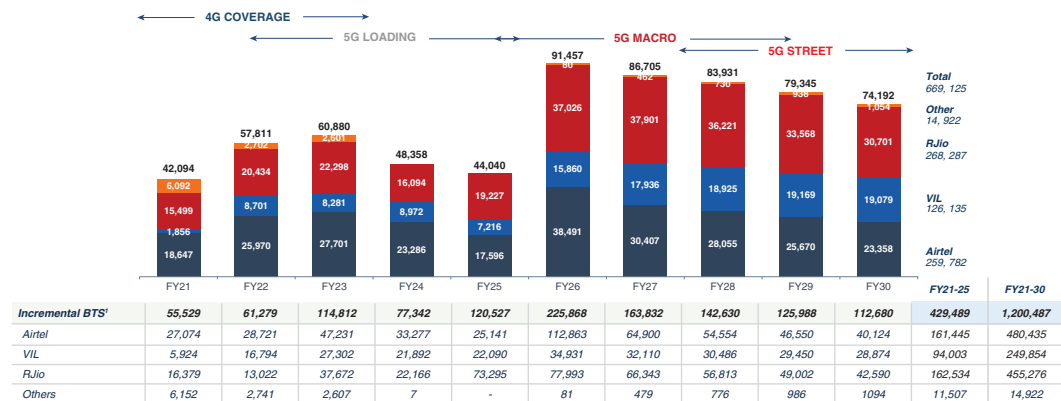


Figure 19. Overall market tenancy demand by operator



Note 1. BTS: Base station

Source: Capitel tenancy forecast model

FY21-30 Tenancy Forecast: RJIL

Capitel estimates a tenancy demand of approximately 93,000 from FY21-25 and approximately 269,000 from FY21-30. The RJIL 4G demand is expected to be concentrated in semi-urban and rural markets, with 5G demand mainly in dense urban and urban markets in the initial years, as illustrated below.

Figure 20. RJIL tenancy demand by technology

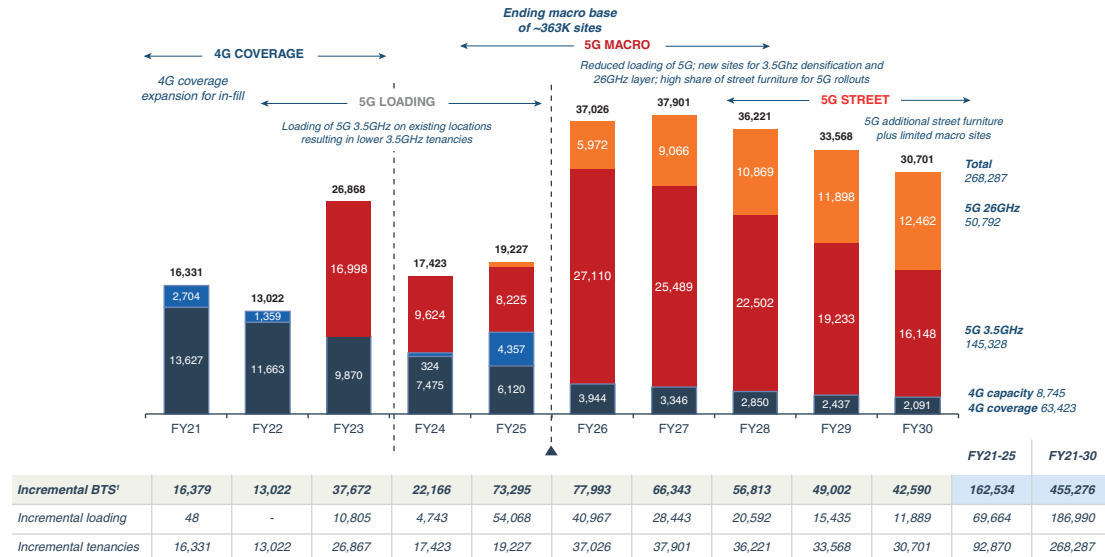
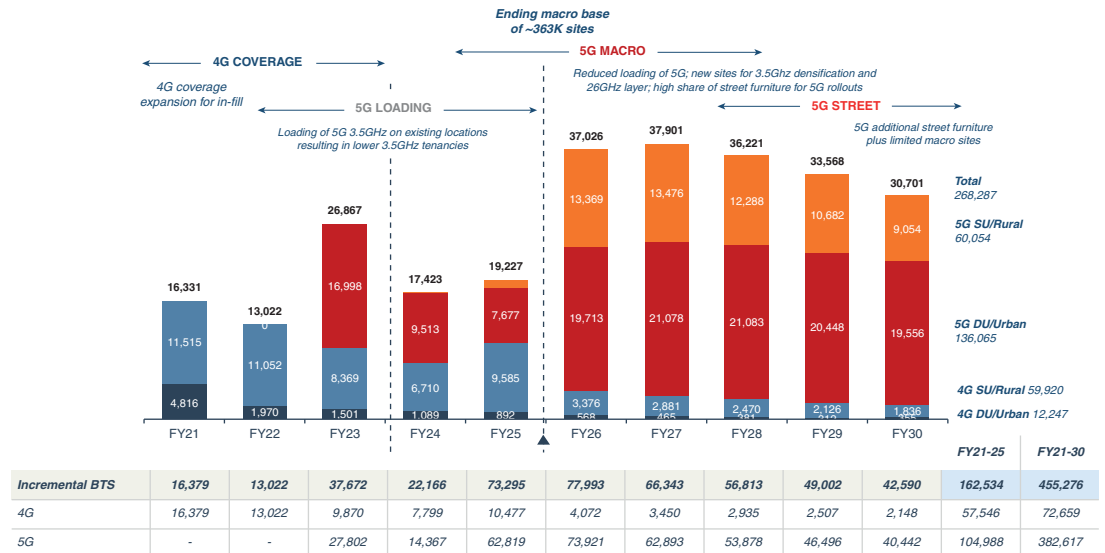


Figure 21. RJIL tenancy demand by topology



Source: Capitel tenancy forecast model

Capitel expects 2300MHz deployment by RJIL in Tier 3 markets and 3500MHz and 28GHz 5G in urban areas. Some of the key assumptions informing Capitel's tenancy forecasts for VIL are set out in Figure 22 below.

Figure 22. RJIL tenancy forecast assumptions

| Variables | FY21 | FY25 | FY30 | Assumption / Forecast context |
|--|-----------------|---------------------------------|---------------------------------|---|
| Customer market share | 36% | 40% | 41% | <ul style="list-style-type: none"> RJio continues to gain customers from Tier 2, Tier 3 and rural markets using big GB buckets on 2300MHz and handset subsidies or bundles RJio invests in 5G in urban markets using 3500MHz band and 700MHz and gains some share from VIL urban users asp. in their weaker Cat A markets such as AP In parallel, RJio subs using VIL as primary SIM move RJio from secondary SIM to primary SIM although this is not reflected in customer market share |
| Data penetration¹ | 100% | 100% | 100% | <ul style="list-style-type: none"> RJio subscriber base is all LTE / 5G with 100% data penetration in the base |
| Data usage² (mn Gb/momh) | 6.225 | 9.790 | 25.500 | <ul style="list-style-type: none"> Data usage is expected to reach a blended level of ~25GB per month per subscriber on 4G and 59GB per sub per month on 5G networks by FY30 Some of the data traffic begins to shift from 4G to 5G after FY24 resulting in reduced number of capacity site demand on 4G |
| Spectrum, 3G/LTE and 5G | 60 MHz (3G/LTE) | 65 MHz (3G/LTE) 460 MHz (5G) | 65 MHz (3G/LTE) 460 MHz (5G) | <ul style="list-style-type: none"> Purchase of 10Mhz of 700MHz in FY25 for national 5G services Purchase of 50MHz of 3400MHz in FY22, purchase of 400MHz of 28GHz in FY24 for hotspot/ FWA 5G deployment in dense urban areas |
| Cumulative tenancies³ | 232,166 | 308,707 | 484,124 | <p>Incremental tenancies are led by</p> <ul style="list-style-type: none"> 4G densification in Tier 2 and Tier 3 markets. 4G capacity sites in Metro and Tier 1 markets until FY24, and 5G sites in Metro and Tier 1 markets <p>We assume that 5G sites on 4G sites currently occupied by RJio are treated as loading</p> |

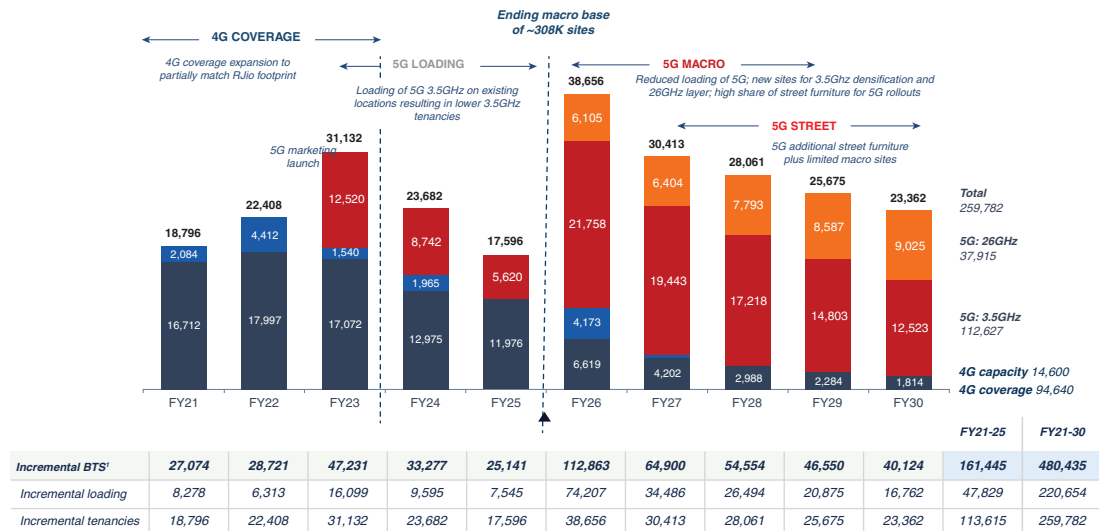
Note 1. As a percentage of mobile subscriber base 2. Mobile data after wi-fi offload 3. Based on Capitel tenancy forecast model

Source: Capitel tenancy forecast model

FY21-30 Tenancy Forecast: Airtel

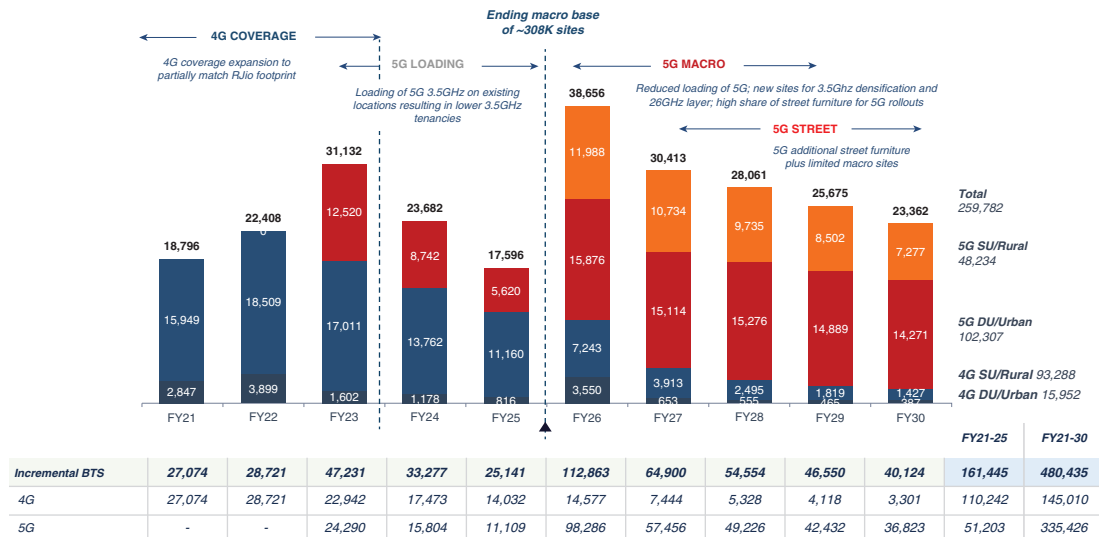
For Airtel, Capitel estimates 4G tenancy demand of approximately 109,000 and 5G tenancy demand of approximately 150,000 from FY21-30. The Airtel 4G demand is expected to be concentrated in semi-urban and rural markets, with 5G demand mainly in dense urban and urban markets in the initial years.

Figure 23. Airtel tenancy demand by technology



Note 1. Incremental BTS includes capacity BTS of 16k from FY21-25 and 23k from FY21-30

Figure 24. Airtel tenancy demand by topology



Source: Capitel tenancy forecast model

Capitel expects 2300MHz deployment by Airtel in Tier 3 markets and 3500MHz 5G in urban with associated spectrum and network investments. Some of the key assumptions informing Capitel's tenancy forecasts for Airtel are tabulated in Figure 25 below.

Figure 25. Airtel tenancy forecast assumptions

| Variables | FY21 | FY25 | FY30 | Assumption/Forecast context |
|---|-----------------------|--|---|---|
| Customer market share | 30% | 32% | 32% | <ul style="list-style-type: none"> Airtel continues to strengthen its position and network in Tier 2 and Tier 3 markets to gain subscribers from VIL as well as upgrade its voice customer base to data services Airtel benefits from lower price of 2300MHz handsets in the open market and matching network to gain users with matching GB buckets Airtel invests in 5G in urban markets using 3500MHz band and 700MHz and gains some share from VIL urban users esp. in their weaker Cat A markets such as AP |
| Data penetration¹ | 54% | 73% | 99% | <ul style="list-style-type: none"> Airtel data penetration improves as it continues to deploy 2300MHz coverage beyond Tier 1 markets and urban areas to city outskirts Tier 2 markets and Tier 3 towns Although Airtel does not offer handset subsidy, it gets some benefit from lower price of 2300MHz handsets in the open markets |
| Data usage² (mn Gb/month) | 3,080 | 5,520 | 18,980 | <ul style="list-style-type: none"> Data usage is expected to reach a blended level of ~23GB per month per subscriber on 4G and 57 GB per sub per month on 5G networks by FY30 Some of the data traffic begins to shift from 4G to 5G after FY24 resulting in reduced number of capacity site demand on 4G |
| Spectrum, 3G/LTE and 5G | 60-70 MHz (3G/LTE) | 60-70 MHz (3G/LTE) 460 MHz (5G) | 60-70MHz (3G/LTE) 460 MHz (5G) | <ul style="list-style-type: none"> Purchase of 10MHz of 700MHz in FY25 for pan-India 5G services Purchase of 50MHz of 3400MHz in FY22, purchase of 400MHz of 26GHz in FY24 for national hotspot 5G deployment in dense urban areas |
| Cumulative tenancies³ | 223.371 | 318.190 | 464.357 | <p>Incremental tenancies are led by</p> <ul style="list-style-type: none"> 4G deployment on 2300MHz in Tier 2 and Tier 3 markets to be able to match RJ to GB buckets (alternative is weak coverage on 900MHz, 5MHz of spectrum as compared to 40MHz on 2300MHz), 4G capacity sites in Metro and Tier 1 markets until FY24, and 5G sites in Metro and Tier 1 markets |

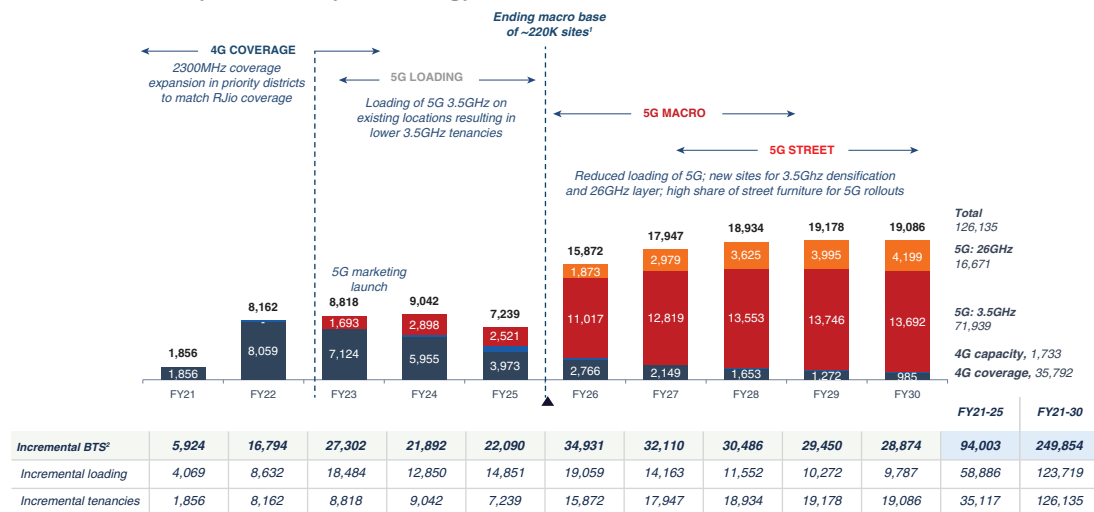
Note 1. As a percentage of mobile subscriber base 2. Mobile data after wi-fi offload 3. Based on Capitel tenancy forecast model

FY21-30 Tenancy Forecast: VIL

The investment focus of VIL in top 16 circles, with limited 4G coverage matching and good quality 5G coverage to protect and grow revenues from its high-end subscriber base is reflected in its network rollout

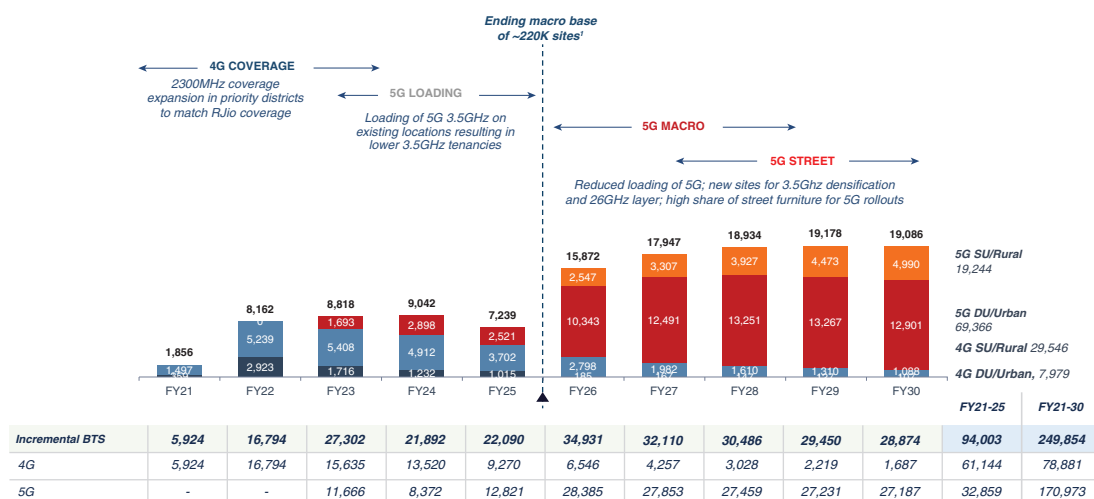
forecast. Capitel estimates a demand of 37,000 tenancies from 4G deployment by VIL which still leaves a gap of 100,000+ 4G sites as compared to RJIL. However, unlike RJIL, Capitel expects VIL to be more focused on urban and semi-urban markets and on 5G densification using 3.5GHz and then 28GHz bands as shown below in Figures 26 and 27.

Figure 26. VIL tenancy demand by technology



Note 1. Gross base, before optimization 2. Incremental BTS includes capacity BTS of 2k from FY21-25 and 6k from FY21-30

Figure 27. VIL tenancy demand by topology



Note 1. Gross base, before optimization

Source: Capitel tenancy forecast model

As detailed in the operator context section, Capitel expects VIL to be an urban focused mobile operator with less than 20 per cent. subs market share and rising data penetration over time. Certain of the key assumptions informing Capitel's tenancy forecasts for VIL are tabulated in Figure 28 below.

Figure 28. VIL tenancy forecast assumptions

| Variables | FY21 | FY25 | FY30 | Assumption/Forecast context |
|---|-------------------|-----------------------------------|------------------------------------|---|
| Customer market share | 24% | 19% | 18% | <ul style="list-style-type: none"> VIL optimizes its network footprint in weaker markets and does not invest further in rural and tier 3 towns, VIL loses customer market share in rural areas to RJio and Airtel in these markets VIL selectively invests in 5G using 3400MHz band in 12 markets to retain high ARPU unaffected users in its stronger markets (Invest and Maintain) and VIL chums subs esp. in markets where VIL does not have a competitive offering on sub-GHz band and 2300MHz band deployment |
| Data penetration¹ | 44% | 80% | 99% | <ul style="list-style-type: none"> VIL data penetration improves as it withdraws coverage from weaker markets and rural areas and focuses on urban and semi-urban markets with better smartphone affordability and means of financing smartphones |
| Data usage¹ (mn Gb/month) | 1.510 | 3.260 | 9.710 | <ul style="list-style-type: none"> Data usage is expected to reach a blended level of -22 GB per month per subscriber on 4G and -60GB per sub per month on 5G networks by FY30 Some of the data traffic begins to shift from 4G to 5G after FY24 resulting in reduced number of capacity site demand on 4G |
| Spectrum, 3G/LTE and 5G | 40-50MHz (3G/LTE) | 40-50MHz (3G/LTE) 450 MHz (5G) | 40-50 MHz (3G/LTE) 450 MHz (5G) | <ul style="list-style-type: none"> Selective purchase of 50MHz of 3400MHz in 16 circles in FY22 esp. with the spectrum purchase guidelines allowing lower upfront payments Selective purchase of 400MHz of 28GHz in 16 circles in FY25 to be used for hotspot 5G deployment in dense urban areas |
| Cumulative tenancies³ | 211.470 | 244.731 | 335.748 | <p>Incremental tenancies are led by</p> <ul style="list-style-type: none"> 4G densification in Metro and Tier 1 markets until FY23, Selective 4G densification in Tier 2 and Tier 3 markets, and 5G sites in Metro and Tier 1 markets |

Note 1. As a percentage of mobile subscriber base 2. Mobile data after wi-fi offload 3. Based on Capitel tenancy forecast model

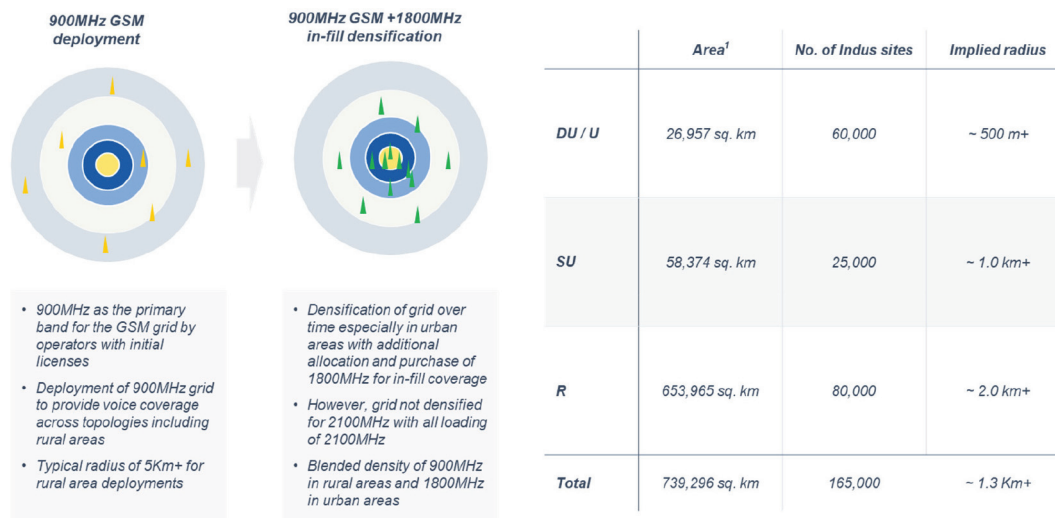
Source: Capitel analysis, engagement experience

Portfolio Analysis: Indus Towers

The Indus portfolio was formed by pooling of towers from Airtel, Vodafone and Idea Cellular. All of these were incumbent operators with 900MHz holdings for GSM awarded in the initial stages or acquired from acquisition of smaller operators such as Spice Telecom. The network grids deployed by these operators were for 900MHz coverage in urban, semi-urban and GSM markets, that was followed by in-fill coverage on 1800MHz within cities.

This resulted in a portfolio with an 1800MHz grid within urban areas, a mix of 900MHz and 1800MHz grid in semi-urban areas and mainly a 900MHz grid in rural areas, as is evident from the implied grid radius⁴ estimates in Figure 29.

Figure 29. Indus portfolio distribution by topology, estimates



Note 1. Area covered by mobile services

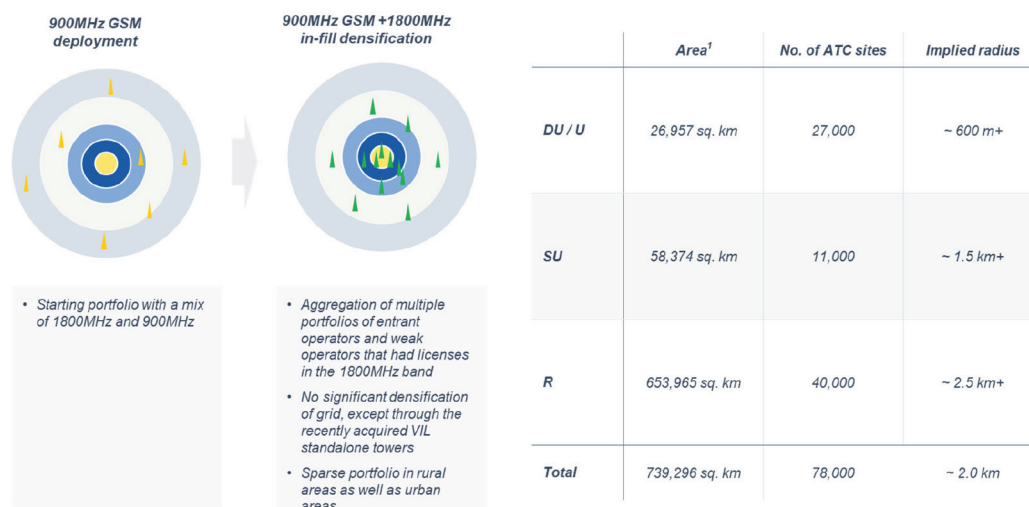
Source: Capitel analysis, engagement experience

Capitel believes that such a portfolio can serve incoming 2300MHz tenancy demand in dense urban and urban areas, some demand in semi-urban areas and limited demand in rural areas. This is because the semi-urban and rural grids are mainly designed for a lower frequency band and do not have the site locations that are required for a 2300Mhz deployment.

Portfolio Analysis: ATC Towers

The ATC portfolio was formed through an aggregation of network grids of multiple new entrants and smaller towercos. The grid was a mix of 900MHz and 1800MHz – Aircel had 900MHz in its markets and Tata Teleservices also had an 850MHz grid. With a primary frequency band of 1800MHz, entrants focused mainly on urban areas (including city outskirts) except Uninor that had a stronger rural footprint. With the acquisition of the Vodafone and Idea captive tower portfolios, ATC added additional tower footprint in urban areas, as this portfolio was mainly designed for in-fill coverage and capacity for Vodafone and Idea.

Figure 30. ATC portfolio distribution by topology, estimates



Note 1. Area covered by mobile services

Source: Capitel analysis, engagement experience

⁴ Lower implied radius suggests a site with higher frequency band deployment

Capitel believes that ATC can address some demand on 2300MHz in urban and semi-urban areas, and a larger share of colocation sharing demand on 5G as unlike Indus, the ATC site locations in urban areas still have available slots. The Indus grid is already occupied by incumbents with some availability for RJIL, as detailed in Figure 31.

Figure 31. Estimated tenancy utilization by towerco

Estimated tenancy utilization of indus towers 164,000 towers

| | Sites | Airtel on Indus | VL on Indus | RJio on Indus |
|--------------|----------------|-----------------|----------------|---------------|
| DU/U | 60,000 | 92%-95% | 70%-75% | 45%-60% |
| SU | 25,000 | 60%-65% | 50%-55% | 35%-40% |
| R | 80,000 | 75%-78% | 50%-55% | 5%-10% |
| Total | 165,000 | 140,000 | 115,000 | 50,000 |

Estimated tenancy utilization of ATC towers 77,600 towers

| | Sites | Airtel on ATC | VIL on ATC | RJio on ATC |
|--------------|---------------|---------------|---------------|---------------|
| DU/U | 27,000 | 30%-35% | 60%-65% | 25K-30X |
| SU | 11,000 | 45%-50% | 40%-42% | 38%-40% |
| R | 40,000 | 12%-15% | 60%-65% | 15%-20% |
| Total | 78,000 | 19,000 | 47,000 | 25,000 |

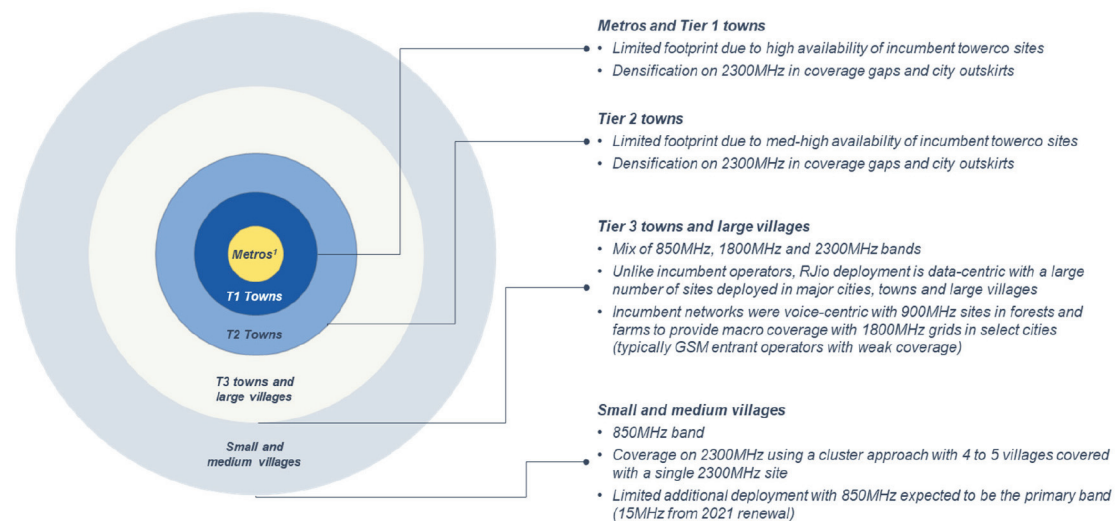
Source: Capitel analysis, engagement experience

Portfolio Analysis: Summit Towers

The RJIL deployment was mainly on the tow bands of 850MHz and 2300MHz, with an in-fill of 1800MHz. The 850MHz was mainly used for VoLTE and pan-India coverage, including in semi-urban and rural areas, and this band was installed mainly on the 35,000 sites of Reliance Infratel.

The 2300Mhz band was the primary spectrum band for RJIL as it had 30MHz-40MHz of spectrum which was required to support a 10GB+ monthly data offering by RJIL. As a large share of RJIL's base was from semi-urban and rural areas, particularly users migrating from feature-phones to smartphones, such a 2300MHz deployment had to be done even in Tier 3 towns, large villages and cluster of smaller villages. Without such a dense deployment, it was not possible for RJIL to offer 1GB per day type of high capacity plans.

Figure 32. RJIL spectrum plan by topology



Note 1. Population range; Metros 20mn+, Tier 1 cities 10mn to 20mn, Tier 2 cities > 1mn, Tier 3 towns 10K to 1mn; Large villages > 2K to 10K, Medium villages 1K to 2K, small villages <1K

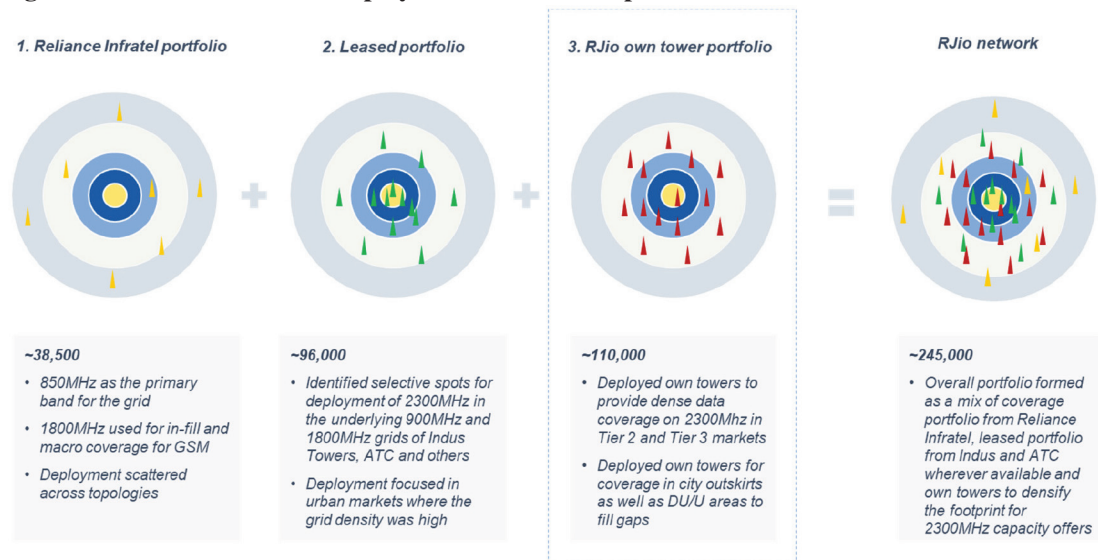
Source: Capitel analysis, engagement experience

To support such a spectrum deployment model RJIL required a grid that was dense enough to support this band. It was relatively easier to find sites in urban areas as the grids were designed for 1800MHz with some densification for 2100MHz, and RJIL leased these sites from Indus, ATC and other smaller towercos.

However, as the underlying grids were designed for 900MHz and 1800MHz particularly in semi-urban and rural areas, RJIL had to deploy its own sites in these areas to enable a 2300MHz network grid. Capitel believes that in some tier 2 and tier 3 towns, incumbent towercos had 2-3 sites, whereas RJIL had to densify the grid to say 10 sites to allow for a 2300MHz coverage. Such an evolution of the RJIL grid and Summit tower portfolio is illustrated in Figure 33 on the following page.

Such a dense grid is almost impossible for other towercos to replicate particularly in tier 2 and tier 3 towns where the tenancy upside potential from VIL is limited only to select circles.

Figure 33. Evolution of RJIL deployment and Summit portfolio



Source: Capitel analysis, engagement experience

Given that this portfolio was complementary to the existing portfolios, and also focused within semi-urban locations as well as under-served urban locations (such as colonies in the outskirts of cities), Capitel estimates that there is limited overlap of Summit's portfolio with other towercos, as illustrated in Figure 34.

Figure 34. Proximity analysis for Summit Towers, estimates

| DU/U | 18,351 (13%) | 7,429 (5%) | 3,084 (2%) | 1,243(1%) | 781(1%) |
|------|---------------|----------------|-----------------|-------------------|-----------------------------|
| SU | 13,016(9%) | 6,784(5%) | 3,606(3%) | 1,810(1%) | 1,722(1%) |
| R | 55,873(40%) | 13,170(9%) | 4,440 (3%) | 2,362 (2%) | 7,025(5%) |
| | No Competitor | One Competitor | Two Competitors | Three Competitors | More than Three Competitors |

Note. 1. Includes GBM, COW and NBT structures 2. Radius for DU/U: 150m, SU: 300m, R: 1,000m
Legend: XX: Number of sites within the quadrant, [x%]: Percentage of total portfolio within the quadrant

Towerco Market Share

Given towers are immovable assets and their locations are fixed, the towerco market shares are almost a direct function of the location of towers within the portfolio. If a towerco has sites in a metro market and dense urban locations, and if the expected demand is on 3.5GHz 5G, then it's very likely that this towerco will be able to address this 5G demand. The market share will depend on other towers in the vicinity, with additional considerations such as RoFR relationships, uptime and pricing in some select cases.

Even within location, there is a question of the primary design band of the sites. There may be sites within rural areas, but if they were designed for a 900MHz coverage (and a 6 kilometer radius), then generally these sites are outside of tier 2 or tier 3 towns to allow for a broader area coverage. If an operator wants to deploy 2300MHz 4G in such a rural area, then a site designed primarily for 900MHz coverage is not useful as the target radius for 2300MHz will be approximately 500 meters rather than 6 kilometers. Such a 2300MHz site will be best deployed on sites designed for 2300MHz or even 2100MHz.

Figure 35 summarizes Capitel's view on the relative positioning of towercos and their share gain potential within colocation⁵ rather than through new builds. Within dense urban and urban areas for 4G demand, Capitel believes Indus and ATC can gain share as ATC has lesser utilization of slots and Indus is not fully occupied by RJIL. Capitel believes that given Summit's portfolio is mainly semi-urban and rural, it can gain only limited market share from dense urban and urban 4G deployments without new builds.

Figure 35. Towerco share gain potential

| <i>Demand</i> | <i>Remarks</i> | <i>FY21-30</i> | <i>Indus</i> | <i>ATC</i> | <i>Summit</i> |
|-----------------------|--|-----------------------|---------------|---------------|---------------|
| <i>DU/U 4G</i> | <ul style="list-style-type: none"> <i>Limited demand from 4G in DU/U areas, except for capacity sites</i> <i>ATC is well placed for Airtel and RJio demand, with some RJio demand also captured by Indus, Summit does not have site locations</i> | <i>41,716</i> | <i>Medium</i> | <i>Medium</i> | <i>Low</i> |
| <i>SU/R 4G</i> | <ul style="list-style-type: none"> <i>Demand led by 2300Mhz grid expansion by Airtel, VIL and RJio</i> <i>Summit is well placed for Airtel and VIL demand; A TC may get some demand from RJio / others</i> <i>Indus does not have sites in the right locations to support a 2300MHz deployment</i> | <i>190,401</i> | <i>Low</i> | <i>Medium</i> | <i>High</i> |
| <i>DU/U 5G</i> | <ul style="list-style-type: none"> <i>Demand led by 3.5GHz deployments as well as 2300MHz densification for 5G in the initial stages for the DSS launch</i> <i>Indus as well as Summit will need new site builds, although fiber access may be easier for both</i> <i>ATC will have colocation sites, but fiber access will be harder</i> | <i>309,187</i> | <i>Medium</i> | <i>Medium</i> | <i>Medium</i> |
| <i>SU/R 5G</i> | <ul style="list-style-type: none"> <i>Demand led by 2300MHz DSS and 3.5GHz densification esp. in the latter phase of 5G launch</i> <i>ATC fiber access will be a major constraint to address 5G demand Summits location will be useful for 2300Mhz as well as 3500MHz</i> | <i>127,508</i> | <i>Low</i> | <i>Low</i> | <i>High</i> |

Source: Capitel analysis, engagement experience

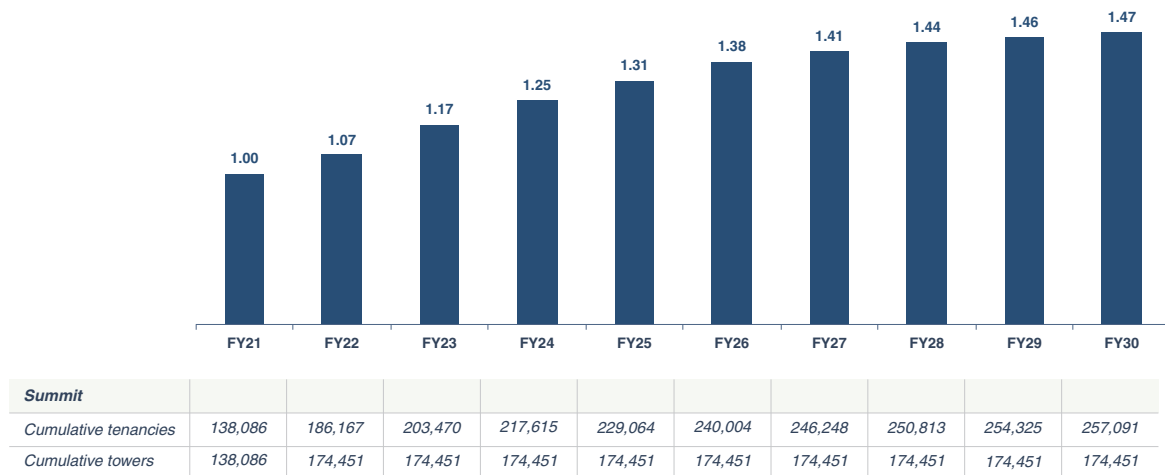
Within semi-urban and rural 4G, the majority of deployments is on 2300MHz with Airtel matching RJIL's coverage across all locations and VIL matching RJIL's coverage in its priority districts in high RMS markets such as Gujarat, Maharashtra and others. As the Indus portfolio was formed mainly by pooling of sites that were designed for 900MHz (with some 1800MHz in-fill), Capitel believes that within semi-urban and rural areas, Indus grid is not well suited for additional tenancies on 2300MHz.

Capitel remains optimistic about ATC's market share as some of that grid was made for 1800MHz (for new operators such as Tata, Telenor, Aircel and others) and can address some of the 2300MHz coverage demand in semi-urban and rural areas.

Capitel believes that Summit's portfolio is best placed to address this demand as that grid was designed for 2300MHz coverage in semi-urban and rural markets and has a very high density of sites within tier 2 and tier 3 towns (unlike other tower portfolios that mainly cover these towns from fields, farms, highways and other locations on the outskirts of these towns). Capital estimates a tenancy ratio of 1.47 for Summit Towers in FY30 on a constant base of ~175k towers.

⁵ Sharing on the same site rather than as anchor sharer on a new site

Figure 36. Tenancy ratio forecast for Summit Towers, 175K towers



Source: Capitel tenancy forecast model

For 5G deployment in dense urban and urban areas on 3.5GHz as well as mm wave, Capitel believes that all towercos are almost equally positioned, with a likely higher share gain by towercos that will have access to fiber. Each of the 5G site will require a fiber connection and as on date there are very limited options for towercos to lease fiber as all operator fiber is captive. Operators have been engaging in bilateral fiber deployments and have also been wary about sharing their last mile fiber with third parties or leasing dark fiber.

If towercos want to offer a full 5G solution then they will need institutional partnerships with municipalities, educational institutions, street furniture providers, utility companies and real estate developers, in addition to access to fiber. In some cases, operators may be willing to fiberize the site using their own fiber, but unlike a 4G site, each operator will need to have last mile fiber to a 5G site to make that site usable. A shared backhaul solution (preferably fiber pairs vs. bandwidth) will be more efficient and preferred by operators.

Summit and Indus will need almost a full new build solution to serve the dense urban and urban 5G demand, and ATC will need to find a partner (such as VIL fiberco, if and when it becomes available) for fiber access.

Finally, for 5G deployments in semi-urban and rural areas, Capitel believes Summit remains well positioned, as Capitel expects operators to prefer a shared Colocation solution rather than ask a towerco to do a new site build for 5G in these areas. There will be some new builds at a later stage once the 2300MHz grid needs to be further densified, but from a colocation sharing basis, Summit will gain a majority market share.

Key Risks and Potential Upside

Capitel believes the primary risks to towercos is in the areas of the unit economics of street furniture for 5G, captive builds by operators and loading rates for 5G.

The unit economics of street furniture is still evolving, and some towercos have a view that the macro tower economics is better than street furniture (such as Lite poles) unit economics, mainly because of the cost of the fiber and the potential for tenancy upside. However, Capitel is seeing that new structures are evolving in the market that can support 2-3 tenancies and it is likely that availability of wholesale fiber will improve over time. Of the three operators in India, VIL's fiber is reportedly available in the market and will be available for towercos to lease and offer 5G network infrastructure. Summit can potentially get access to RJIL or VIL wholesale fiber (if available as a neutral provider) and Indus also has strong operator partnerships. Towercos are optimizing structural Capex and fiber models to earn similar returns from street furniture as macro towers.

Figure 37. Areas of potential risks to towerco business

| # | Risks | Description | OCF Impact |
|---|---|---|------------|
| 1 | Uncertainty on 5G Infrastructure pricing | <ul style="list-style-type: none"> Unlike 4G macro sites, the form factor as well as pricing of 5G network infrastructure esp street furniture has some uncertainty. Some share of 3.5GHz sites as well as almost all of 26GHz sites will be deployed on street furniture including wall mounts on rooftops, metro pillars, bus stops, utility poles and other structures There are some form factors already available in the market through Indus and other providers with Capex ranging from INR 0.2 mnto INR 0.7 mn depending on shanng capacity, height, energy backup and other parameters. However, unlike 4G macro, the exact mix of these street furniture elements (including structures available through institutional tie-ups through governments, real estate companies as well as pnvate entities) is unclear and will evolve over time This uncertainty over the mix of structures and their source will also get reflected in pricing Finally, as fiber connectivity will be an integral part of such street furniture offerings, some of these structures will also be procured by fibercoos that will be new to the market Such fibercoos may be better placed to serve some of the street furniture demand as compared to towercos and may dn ve pnce competition | High |
| 2 | Captive buildouts for 5G | <ul style="list-style-type: none"> Industry inputs suggest that in addition to its 2300MHz 4G macro deployments. Rjio has built -10,000+ mini-macro sites over the past year- these are single sector sites to solve for in-fill coverage and specific needs in dense urban and urban areas Given Rjio s reported announcements on building its own 5G network, their in-house capability in developing and deploying sites, their access to large government and pnvate institutions for real estate partnerships for site deployments and finally their access to high quality captive intra-city fiber, its possible that Rjio develops a sizeable share of 5G street furniture build on their own as its faster, cheaper and efficient In case this demand comes to the open market, it will result in price led competition as Rjio would offer rates that will be closer to its own cost to build such sites | Medium |
| 3 | Loading rates at renewals/ 5G | <ul style="list-style-type: none"> The current MSAs define loading as a) weight on the tower through new set of access antennas, now microwave antennas, b) additional space within the cabinet and c) additional requirement of power Operators typically pay INR 3,000 to INR 5,000per site per month for such loading depending on the configuration A typical 5G site will require more dense MIMO antennas, higher powercapacity and fiber access Operators are likely to negotiate for such 5G loading terms esp. at the time of renewals to mitigate such loading charges. The 4G loading will in any case reduce as operators deploy multi-mode base stations, outdoor BTS that are more energy and apace efficient and multi-band antennas that can support low-high frequency bands Again, some of this risk also needs to be managed contractually esp. while finalizing anchor tenant MSAs | Medium |

Source: Capitel analysis, engagement experience

The other risk is captive builds by operators, especially for 5G. Capitel has seen operators build towers in the past, especially in collaboration with municipalities, metro railways and other institutions. However, their ability to manage tower SLAs and uptime and operational efficiency does not match towercos. RJIL has the operational expertise to build new towers and they deploy sites, and Capitel expects them to account for approximately 10 per cent. to 15 per cent. share of the overall new site builds. Also, operators do not get the benefit of sharing on their own site builds and so this is not a preferred model.

Finally, there is some risk to downward adjustment of revenues from amendments⁶ (addition of a new technology, antenna, space. Although amendment revenues in India remain much lower in India as

⁶ Amendment refers to a tower tenant demanding space to deploy new antennas, put additional weight on the tower or occupy additional space in the cabinet, generally with the introduction of new technology such as 5G (MIMO antennas)

compared to other markets, Capitel believes there is a possibility that operators may redefine loading terms to save 5G led loading payouts.

Potential upside

Towercos in other emerging markets such as Indonesia and China generate anywhere from 10 per cent. to 20 per cent. revenues from non-tower based activities, mainly from adjacent areas such as fiber-based network infrastructure, in-building solutions or DAS, and increasingly from Edge data centers.

With telcos using their captive fiber for FTTx businesses, the primary opportunity for towercos in fiber is to develop solutions around 5G based network infrastructure such as lite Poles for mm wave and small cell deployments.

Towercos that can get access to fiber footprints through collaboration with MNOs (such as potential access of fiber to Summit through RJIL wholesale fiberco, or Indus through Bharti Airtel captive fiber) are better placed to participate in the 5G business, particularly in the network infrastructure area.

Figure 38. Areas of potential upside to towerco business

| # | Upside | Description | OCF Impact |
|---|---|--|------------|
| 1 | Edge DCs, toT and smart cities | <ul style="list-style-type: none"> With the introduction of 5G based services such as real time video streaming, assisted driving and other services that have a high concurrency and low latency requirement, operators will be required to process traffic as close to the cell sites as possible. One of the emerging models for such processing is deployment of low-capacity Edge data centers that are mounted within containers on a macro cell site location. Such Edge DCs are part of the broader DC fabric within the city and controlled by larger wholesale DC nodes. Although there are pilots by operators such as Vodafone for these Edge DCs in India, yet the introduction of such low latency 5G services will begin only by FY25-FY26, most likely led by RJio. A major city will not require more than 20-30 Edge DCs in the initial stages and even if these are co-located with cell site locations the overall revenue upside on the overall tower base of Indus will not be significant. In markets such as China, there is some upside from installation of sensors, surveillance cameras, metering devices and other IoT elements on towers. The overall contribution of such TSSAI (Trans-Sector Site Application and Information) business is less than 4% of overall revenues. | Low |
| 2 | In-building solutions and DAS | <ul style="list-style-type: none"> Some towercos have also expanded into providing in-building solution and DAS deployments in public venues, stadiums and other retail locations. Again, this business requires laying fiber/coax wiring within the building and uses a cellular tower on top of the building for backhaul. Indus has been wiring up some of the condominium complexes and other locations in India for operators without getting involved into a B2C model. The competitors in this business are different including OFC producers such as Sterlite and specialist indoor solution providers such as Ubico. Again, for China Towers, such IBS business contributes less than 5% of the overall revenues. For CellNex telecom, DAS, IoT and other services (including segments in segment 1 in the row above) account for total of 10% revenue. | Low |
| 3 | Fiber based shared network Infrastructure | <ul style="list-style-type: none"> The fiber based shared network infrastructure TAM is much higher as compared to the above two categories, although it requires investments and operational capabilities in the fiber business. Towercos will need significant IRUs on intra-city fiber in the access and distribution ring, along with some access to last mile fiber to address this market segment. Also, if RJio fiber is available on a wholesale basis, then there will be other providers such as Summit and ATC who will provide such fiberco solutions. We estimate the overall TAM for fiberco to be 10 mn FPKm. and assuming an annual addressable market revenue of \$3bn to \$5bn overtime. | High |

Source: Capitel analysis, engagement experience

In-building solution is also a significant adjacent opportunity for towercos, although the overall addressable market remains a concern. Also, in some cases, landlord rentals and unwillingness of operators to pay for the additional coverage affects the unit economics and returns. However, increasingly, building owners as well as operators are realizing that providing seamless coverage in buildings is critical as a majority of the network traffic is served indoors.

Finally, there is an opportunity related to Edge data centers, although purely from a towerco perspective, a related opportunity is installing Edge DCs on towerco site locations. Towercos such as American Tower have acquired edge data center providers such as ColoAtl, although Capitel believes this is part of a broader data center business rather than tower business.

BUSINESS

Overview

We are one of the largest independent tower companies in India as measured by number of towers and revenue. We provide passive tower infrastructure services to telecommunication service providers (“TSPs”), with a pan-India portfolio of 138,086 operational towers as of March 31, 2021 (the “Towers”).

Our Towers consist of a network of ground-based towers (“GBT”), ground-based masts (“GBM”), roof-top towers (“RTT”), roof-top poles (“RTP”) and cells-on-wheels (“COW”). Our Towers are one of the youngest portfolio of tower assets in our industry, with an average age of approximately three years as of March 31, 2021. We provide passive infrastructure services on our Towers for TSPs to host equipment that provide telecommunications services to their customers. With an increasing rollout of 4G or LTE networks by TSPs and a trend for rapid technological developments in the market for transitioning into 5G and beyond, we believe that our network of towers provides us with significant advantage to tap into such markets and attract new customers. For example, as of March 31, 2021, more than 62% of our Towers were fiberized, meaning they use fiber for backhaul and have access to a fiber network, which we believe is critical for TSPs whose revenue growth is increasingly being led by data services and product offerings that require a fiber network.

The strength of our business is rooted in our long-term and stable relationship with RJIL, the anchor sharer of our Towers. RJIL is one of the largest and fastest growing wireless broadband services providers in India. It became the second largest single-country telecommunications operator in the world as of December 31, 2019, according to ETTelecom. In less than five years from its commercial launch in September 2016, RJIL has grown its wireless subscriber base to more than 422 million as of March 31, 2021, which is the largest in India, according to TRAI. Following this growth, RJIL has become the leader in the Indian telecommunications sector, with a market share of 54.7% of total broadband subscribers as of March 31, 2021, according to TRAI. For the year ended March 31, 2021, RJIL had total data traffic of 62.5 billion gigabytes, and it has the world’s highest data traffic, according to RJIL. As of March 31, 2021, RJIL had a gross block of Rs. 1,971 billion, and for the financial year ended March 31, 2021, RJIL had a Net Debt to EBITDA ratio of 0.34. For the financial year ended March 31, 2021, Jio Platforms Limited, RJIL’s parent entity, raised Rs. 1,521 billion from investors such as Facebook, Inc., Google LLC and The Abu Dhabi Investment Authority, among many others. In December 2019, we entered into a 30-year Master Services Agreement with RJIL to provide it with passive tower infrastructure services, as well as rights for taking up additional tenancies on the Towers. Our Towers play a critical role in the operations of RJIL’s core telecommunication service offering in India, as approximately 59% of RJIL’s telecommunication equipment is installed on our Towers as of March 31, 2021.

For the financial years ended March 31, 2020 and 2021, our total income was Rs. 74,892 million and Rs. 82,595 million, respectively, and we recorded net profit (loss) of Rs. (20,968) million and Rs. (23,380) million, respectively. As of March 31, 2021, we had total assets of Rs. 414.3 billion and total equity of Rs. (50) billion.

Our History and Organizational Structure

We were incorporated in India on January 18, 2013 under the name of “Reliance Jio Private Limited.” The name of the Company was changed to “Reliance Jio Infratel Private Limited” on March 3, 2014 and to “Summit Digitel Infrastructure Private Limited” on November 18, 2020.

The tower infrastructure business involving setting up and maintaining the Towers and providing tower infrastructure services to TSPs was transferred from RJIL to us by way of a slump sale on a going concern basis with effect from close of business hours on March 31, 2019.

We are a wholly-owned subsidiary of Tower Trust. Tower Trust was set up by RIIHL on January 31, 2019 as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882, and was registered as an infrastructure investment trust under Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 on March 19, 2019 with the registration number of IN/InvIT/18-19/0009. RIIHL is a wholly owned subsidiary of Reliance Industries Limited (“RIL”) and in turn owns JIMSL and RPPMSL, with whom we entered into the O&M Agreement and the Project Execution Agreement. On March 31, 2019, Tower Trust acquired 51% of our shares from RJIL, RIIHL and Reliance Media Transmission Private Limited, and on August 31, 2020, it acquired the remaining 49% of our shares from RIL.

BIF IV Jarvis India Pte. Ltd. is the sponsor and majority unitholder of Tower Trust, and Brookfield India Infrastructure Manager Pvt. Ltd., the investment manager of Tower Trust, manages the assets and investment

The following chart sets forth our organizational structure as of March 31, 2021:



We believe we benefit from the following key strengths:

We have an extensive network of towers, with 138,086 operational towers sites as of March 31, 2021, compared to 179,225 towers owned by Indus Towers Limited and 75,258 towers owned by American Tower Corporation as of March 31, 2021. Our Tower portfolio is well diversified across India, which we believe reinforces and develops our experience and expertise, including our ability to evaluate, own, acquire, operate and maintain new towers. We have an established presence across all 22 telecommunications circles in India, including the metro, A-category, B-category and C-category telecommunications circles. In addition, our Towers are located across both urban and rural areas in India, which is important because according to TRAI, as of March 31, 2021, rural wireless subscribers constituted 45.37% of total wireless subscribers in India. With a large part of our Tower portfolio in rural India, we believe that we are well-positioned to benefit from the increase in consumer demand in telecommunications services being driven from rural India as we can manage faster roll out of services with existing infrastructure.

Not only are our Towers located across all regions in India, they are also strategically located to reduce competition from other Tower operators. As of March 31, 2021, approximately 62% of our Towers are located in areas with no other towers within a 200-metre radius. As a result, we believe that if a competitor were to install a tower in the vicinity of our Towers, the costs and expenses that their initial sharer would have to bear as an anchor sharer are significantly higher than what such a sharer would pay at our Towers as non-anchor sharer, helping our Towers to be more resistant to competition. As our Towers allow for such non-anchor sharers, we believe that we have an advantage over other competitors that can only support one sharer.

Our Tower portfolio also boasts a full range of different tower types, including GBTs, GBMs, RTTs, RTPs and COWs. These towers are further broken down into different heights, are each suited for different types of environments and needs. We have improved upon existing tower designs in certain aspects. For instance, some of our GBTs have utilities placed inside the towers, which help to reduce costs related to diesel generators, cabinets and fencing work.

Our Towers play a critical role in the operations of RJIL's core telecommunication service offering in India, as the majority of RJIL's telecommunication equipment is installed on our Towers. We entered into the Master

Services Agreement, pursuant to which RJIL has leased a tenancy on up to 174,451 towers for a term of 30 years. The Master Services Agreement is non-cancellable, even in case of force majeure events. The agreement provides significant revenue stream predictability and stability, with RJIL as the anchor sharer on 174,451 towers. For additional towers beyond the 174,451 contemplated in the Master Services Agreement, we have a right of first offer whenever RJIL requires passive tower infrastructure and services on a new tower. Additionally, the Master Services Agreement provides for continuity, and therefore stability in revenues for us even in situations of a relocation of any of our Towers, or when RJIL seeks to terminate or decommission any Tower. For the 30-year duration of the Master Services Agreement, we are entitled to receive from RJIL monthly tariffs, consisting of a Monthly Site Premium with a built-in escalation clause, Monthly Site Reimbursement and passed-through power and fuel costs. Accordingly, the Master Services Agreement provides us with a high degree of certainty with respect to our revenues and cash flows.

Furthermore, although RJIL is currently the anchor sharer on all of our Towers, the majority of our Towers can accommodate additional tenancies from additional third parties. We accordingly have a significant opportunity to increase tenancies on our Towers and to improve our overall tenancy ratios, creating additional revenue and cash flow streams. We expect such co-locations among additional sharers to significantly improve our operating margins, as our incremental cost of adding additional sharers are low due to the fact that most of our Towers can accommodate additional co-locations without significant expenses. Such co-locations will be beneficial to all parties, as RJIL is entitled to discounts based on additional tenancies on the Towers, and the additional sharers will in turn benefit from the stability of costs and expenses with RJIL acting as the anchor sharer.

Large portfolio of high quality, fiberized and newly constructed towers ideally suited to capitalize on strong industry tailwinds and high demand for delivery of digital services in India

The wireless telecommunication industry in India has undergone a transformation following the launch of telecommunication services by RJIL in 2016. According to TRAI, RJIL had approximately 422.92 million wireless subscribers as of March 31, 2021. Driven by growth in the number of subscribers as well as usage, overall industry wireless data traffic is expected to grow from 10,819 gigabyte per month for fiscal year 2021 to 54,147 gigabyte per month for fiscal year 2030, according to Capitel.

With further proliferation of video-enabled products and services and the wider adoption of over the top applications, per capita data consumption of users already connected to mobile broadband networks is projected to increase significantly. In addition, further roll-out and coverage of video enabled network by RJIL and a higher prevalence of LTE and subsequent technologies is expected to bring more users onto the data network, further increasing the demand for data. The surge in data traffic and the transition toward 4G networks and beyond will require both additional capacity and coverage sites, which would lead to significant densification of existing networks. According to the National Digital Communications Policy, 2018 (the “**Indian Communications Policy**”), the Government of India targets to achieve fiberization of at least 60% of telecommunication towers by 2022 to enable accelerated migration to 4G and 5G networks.

As of March 31, 2021, more than 62% of our Towers are fiberized, and they can handle higher capacity and bandwidth requirements in the event of increased data consumption, which we believe is critical for TSPs whose revenue growth is increasingly being led by data services and products offering. High speed data requires denser networks and better backhaul for superior user experience. We believe that with an increasing rollout of 4G / LTE networks by telecommunications operators and a trend for rapid technological developments in the market to transition to 5G and beyond, our high quality fiberized towers, the majority of which are capable of handling additional tenants, will give us a significant advantage in attracting new customers and driving our revenue growth. Additionally, our Towers are one of the youngest portfolio of towers in the industry, which we believe will further help us attract new customers, given the relatively long remaining useful life of the Towers.

All of our Towers have battery backup. Furthermore, all of our Towers have or will have connection to electricity boards and diesel generators to meet the service level agreement standards. We currently use lithium-ion batteries instead of lead-acid batteries that are more commonly used in the industry. Furthermore, our Towers have a built-in battery management system and can be monitored remotely. We believe this will improve our overall operational efficiency and help us meet our service commitments.

Long term O&M arrangement in place providing stability in costs and cash flows

In December 2019, we entered into the O&M Agreement under which RPPMSL is responsible for operations, maintenance and periodic repairs required for our Towers for a period of 30 years, as well as for

meeting the service level requirements laid down in the Master Services Agreement. We believe this arrangement provides us with stability in our costs and cash flows. For example, the scope of the O&M Agreement includes, among other things, (i) performing various maintenance activities and periodic repairs of the Towers; (ii) operating the Towers efficiently to slot in additional sharers; (iii) replacing passive equipment, such as power plants, diesel generator sets, battery bank and others and (iv) paying operating costs, including insurance policies and associated costs of any claims and annual maintenance costs. The agreement provides additional safeguards to us in the form of the recovery of O&M costs in excess of the cost budgets from RJIL. These arrangements help afford us stable, predictable and long-term visibility on costs and cash flows, which in turn helps us to enjoy strong EBITDA margins.

Fixed capital expenditure requirements

Unlike some of our competitors, our capital expenditure requirements for constructing additional towers are fixed under the Project Execution Agreement, under which RPPMSL carries out the entire tower development process on our behalf, from site acquisitions, procurement and warehousing, construction contracting, site construction to engagement of suppliers. The fees we pay to RPPMSL for additional towers are fixed based on the type of tower. As such, our capital expenditure requirements are predictable and even in cases of cost inflation, we expect our capital expenditure to remain relatively stable.

As a result, an increase in our tenancy ratio for our existing Towers should increase our operating margins. Furthermore, we would expect additional co-locations to also be accretive to our cash flow because the capital expenditure required for, and our incremental cost of, adding new tenants to existing sites will be relatively low, since most of our Towers can accommodate additional co-locations in their current condition.

Favorable government policies paving the way for growth in the passive infrastructure industry

We believe that the Government's focus on digitalization of the Indian economy will be beneficial to our business. Under the Indian Communications Policy, the Government has stated that in order to expand mobile and broadband connectivity across India, it is critical to focus on infrastructure development initiatives related to fiber deployment and right of way clearances, for both over-ground and underground infrastructure that will form the backbone of next generation technologies. The Indian Communications Policy also seeks to incentivize tower companies by (i) extending exemptions for the construction of telecommunication towers; (ii) providing accelerated right of way permissions for telecommunication towers on government premises; (iii) promoting and incentivizing deployment of solar and green energy for telecommunication towers; and (iv) approving applications of telecommunication operators to conduct trials of the 5G technology and to develop necessary equipment. We believe these initiatives and policies will provide further impetus to the industry and growth in tenancies. According to Capitel, the total demand for tenancies, as expressed as an incremental increase in the number of base transceiver stations in India, is projected to increase by 1,200,487 between fiscal year 2021 to fiscal year 2030. We believe that we are well-positioned to benefit from the growing demand for tenancies given our currently low utilization as well as from the growing demand for passive infrastructure by the TSPs. For further details on the market opportunity and the telecommunications industry in India, see the section titled "Industry Overview".

Independent and experienced management supported by Brookfield as sponsor

We are an independently managed company led by a management team of highly-qualified individuals with a wealth of experience in telecommunications and tower infrastructure sectors, with an average of more than 25 years of work experience. In addition, BIF IV Jarvis India Pte. Ltd. of Brookfield, a prominent asset management company, is a sponsor of Tower Infrastructure Trust, our parent entity. The investment manager of Tower Infrastructure Trust has appointed three of the four members of our Board of Directors (the remaining member being our Chief Executive Officer), as well as helped introduce a new governance structure for our business. As of March 31, 2021, Brookfield managed consolidated assets amounting to US\$21.4 billion in India (including committed capital). Brookfield and our directors have a deep understanding and experience of tower operations in India. In addition, our management is supported by our internal auditor, PricewaterhouseCoopers.

Strong Access to Bank Loans and Capital Markets

We have a domestic credit rating of AAA (stable) from CRISIL. We are able to achieve strong creditworthiness and low cost of financing due to our 30-year non-cancellable Master Services Agreement with the largest telecommunication company in India as well as the strong industry reputation of Brookfield. We have

no off-balance sheet debt and minimal contingent liabilities, and our capital expenditure is entirely financed with relationship banks. As of the date of this Offering Memorandum, we are approved to borrow up to \$4 billion from top private and public sector banks in India. In addition, we have successfully raised \$200 million carrying a coupon rate of 6.59% from Indian debt capital markets in June 2021.

Our Strategies

The key elements of our strategy include:

Develop our Tower portfolio and optimize and improve their tenancy ratios

We believe that our Towers are strategically located on key areas in India and are therefore ideally suited to tap into the growing demand for high quality and fiberized telecommunication towers from TSPs, given the increasing demand for data services and increasing roll out and adoption of next generation technologies, such as 4G and 5G networks. As over 80% of our Towers in urban areas and over 40% of our Towers in rural areas are fiberized as of the date of this Offering Memorandum, we believe we are well-positioned to meet the demands for 4G and 5G networks. We intend to continue to service RJIL through our Towers, to meet its growing demand for passive infrastructure services. In addition, we expect to actively market our Towers to third party TSPs to achieve (i) improved utilization; (ii) reduction of dependence on RJIL and (iii) increased revenue from operations and cash flows. Potential future customers include telecommunications and other service providers, such as mobile network operators, fixed broadband players and other ISPs and distribution platform operators. Recently in December 2020, we have executed a term sheet with Bharti Airtel Limited, and we are in negotiations with other telecommunications providers in India.

In addition to improving tenancy ratios on our Towers, we plan on further increasing the portfolio of our Towers. Under the Project Execution Agreement, 174,451 towers will be constructed by RPPMSL on our behalf. While we believe that these new towers, with RJIL as an anchor sharer, will help us meet the growing demand for telecommunication towers in India, we may also strategically and opportunistically build additional towers based on future market demand.

Develop our ESG initiatives

Enhancing our commitment to ESG is a strategy priority. We strive to minimize the environmental impact of our operations and to promote efficient use of resource through sustainability and renewable energy solutions. For instance, most of our sites deploy advanced technology to reduce environment impact, such as effective battery backup to eliminate the need of permanent diesel generator sets. Furthermore, we are implementing a plan to reduce the use of diesel and fuel oil at our sites and to increase the use of solar energy at over 4,000 of our Tower sites, and to These efforts will not only improve energy efficiency but also reduce greenhouse gas emissions. We support the global initiative of achieving net zero greenhouse gas emissions by 2050. Our current priority is to have the greenhouse gas emissions from our business operations be limited to “Scope 1” and “Scope 2” emissions as designated by the Greenhouse Gas Protocol.

We also place utmost importance on the health and safety of our employees. We operate our businesses under the belief that every injury is preventable and everyone working for or on our behalf needs to return to their home safely every day. As our business is in operation around the clock and involves inherent health and safety risks, we are in the process of implementing various initiatives to protect our employees, such as safe road travel requirements and additional safeguards for working at height. In addition, in order to ensure the well-being and safety of employees, we foster a positive work environment based on respects for human rights and diversity, as well as zero tolerance for workplace discrimination, violence or harassment.

We conduct our business activities in accordance with a set of strict corporate governance protocols, which include ABC Policy, code of business conduct and ethics, prevention of sexual harassment, corporate social responsibility, whistle blower policy, ethics hotline, corporate governance committees, cyber security measures and policies for health, safety, security and environment. We will continue to implement ESG and corporate governance initiatives throughout our operations in India to become a more sustainable, efficient, safe, healthy, ethical, secure and fully compliant tower operator.

Maintain disciplined financial policies

Our debt instruments have been rated AAA (stable) from CRISIL and CARE Ratings and the Notes are rated BBB- and BBB- by S&P Global Ratings and Fitch Ratings, respectively.

We have achieved AAA (stable) ratings for our bank facilities in India. In order to maintain our low cost of financing, we are committed to a disciplined approach to our financial and risk management policies. Under our prudent financial management, we will have strong access to multiple sources of capital raising and liquidity at competitive cost of funding.

As part of our financial management efforts, we are actively monitoring our debt profile in view of our upcoming fixed costs for additional towers. We continue to look for different avenues for raising funds and ways to further reduce funding costs and proactively hedge against exchange rate movements. We ensure that our debt financing is done only to the extent required for acquiring new towers, so that the additional revenues from new towers will help reduce our leverage.

Pursue additional business opportunities through entering into partnerships, developing small cells and building smart city infrastructure

In order to further leverage our Tower assets and to increase and diversify our revenue, we plan on entering into additional business opportunities. For instance, we are exploring possibilities additional partnerships that would increase tenancies and revenues from our Towers, such as with internet service providers. In addition, using our expertise on telecommunication devices, we are looking to develop small cell structurers as another avenue of reaching our customers. Other business areas that we believe we are well positioned to enter include smart city infrastructures.

Improve operations throughout India by building teams across all regions and types of telecommunications circles

To improve and stabilize our operations in India, we plan on implementing a three-tier organizational structure — corporate headquarter, region offices and circle offices. Our goal is to establish four region offices and 22 circle offices, and we believe they will enable us to better control and manage our operations and business throughout India. To this end, we plan to recruit approximately 300 additional employees, including more than 60 employees in corporate headquarters, 30 in regional offices and 200 in circle offices. Each circle is expected to have resources responsible for sales, deployment, O&M, health and safety, site compliance and finance.

Description of Towers

Tower Portfolio

As of March 31, 2021, our portfolio consisted of 138,086 operational telecommunications towers across India. All of our Towers are or will be connected to the electricity board and have lithium-ion battery for back-up power. More than 62% of our Towers are fiberized.

Tower Categories

Our Towers are mainly comprised of ground-based towers, ground-based masts, roof-top towers, roof-top poles and cell-on-wheels. The following sets forth images and brief descriptions for each of the categories of our Towers.

Tower Category

Description

Ground-Based Towers



GBTs are erected on the ground, with heights ranging between 25 to 60 meters. We have developed a GBT design for some of our GBTs in which utilities are placed inside the towers, which help to reduce additional costs for foundational work relating to diesel generators and cabinets, protect the diesel generators and cabinets and eliminate fencing work around the plot.

Tower Category

Ground-Based Masts



Description

GBMs require less space than GBTs and are typically favored in urban areas with limited spaces. The height of GBMs are typically 20, 25 or 30 meters. Our GBMs incur low land lease costs and use natural cooling mechanism instead of fan units, which typically result in lower capital expenditure.

Roof-Top Towers and Roof-Top Poles



RTTs and RTPs are placed on the rooftops of buildings by raising existing columns. The height of RTTs are typically 12, 15 and 19 meters, and the height of RTPs are generally 3, 6, 9 meters. RTTs are single tower structures, where RTPs are isolated poles that are installed in groups of three or more.

Cells-on-Wheels

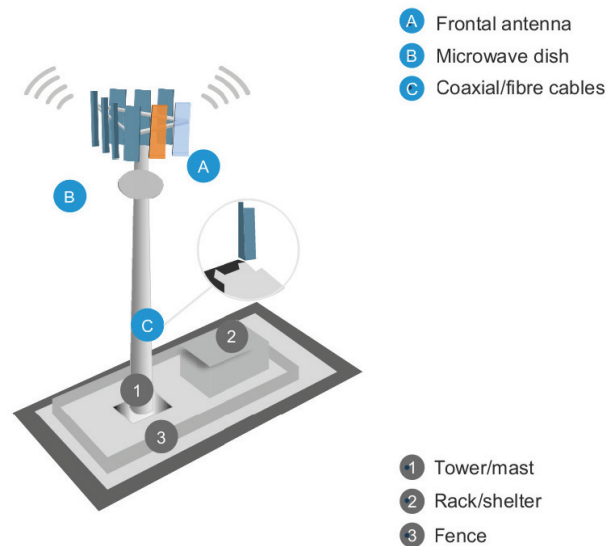


COWs sites provide tower coverage for places where permanent sites are not allowed, or for temporary network coverage in case of natural disasters, electricity outages or sporting or cultural events. COWs have a height of up to 30 meters. We have deviated from the industry standard to create platform-based and optimized COWs, which can be transported through trucks and self-loaded.

Tower Structure

Typically, our Tower holds the entire set of active equipment that our customers need mounted at a designated height for them to provide the intended telecommunication coverage to the end users. All electrical utilities are standardized and scalable to accommodate increased capacity requirements in the future.

The following diagram illustrates the standard facilities located on our tower sites:



Geographic Distribution

Our Towers are situated across all regions of India. The table below sets forth the number of our Towers located in each region of India, by type of tower, as of March 31, 2021.

| Region | Tower Type | | | | Total |
|----------------------|------------|--------|---------|-------|---------|
| | GBT/NBT | GBM | RTP/RTT | COW | |
| Andhra Pradesh | 3,440 | 338 | 1,302 | 46 | 5,126 |
| Arunachal Pradesh | 168 | — | 22 | — | 190 |
| Assam | 2,638 | 1 | 427 | 10 | 3,076 |
| Bihar | 5,263 | 94 | 942 | 12 | 6,311 |
| Chhattisgarh | 3,290 | 254 | 179 | 47 | 3,770 |
| Delhi | 195 | 748 | 3,593 | 277 | 4,813 |
| Goa | 32 | 130 | 76 | 2 | 240 |
| Gujarat | 4,637 | 4,741 | 1,255 | 24 | 10,657 |
| Haryana | 2,040 | 100 | 449 | 69 | 2,658 |
| Himachal Pradesh | 1,595 | 21 | 90 | 7 | 1,713 |
| Jammu | 707 | 34 | 147 | 19 | 907 |
| Jharkhand | 3,431 | 231 | 572 | 34 | 4,268 |
| Karnataka | 4,302 | 332 | 1,854 | 37 | 6,525 |
| Kashmir | 1,279 | 42 | 102 | 33 | 1,456 |
| Kerala | 1,338 | 33 | 585 | 61 | 2,017 |
| Kolkata | 962 | 119 | 2,449 | 14 | 3,544 |
| Madhya Pradesh | 7,636 | 1,468 | 645 | 23 | 9,772 |
| Maharashtra | 6,701 | 654 | 2,282 | 32 | 9,669 |
| Manipur | 342 | — | 42 | — | 384 |
| Meghalaya | 602 | — | 7 | 3 | 612 |
| Mizoram | 172 | — | 19 | 1 | 192 |
| Mumbai | 380 | 657 | 2,353 | 35 | 3,425 |
| Nagaland | 269 | — | 27 | 1 | 297 |
| Odisha | 4,027 | 133 | 413 | 43 | 4,616 |
| Punjab | 1,459 | 854 | 1,353 | 81 | 3,747 |
| Rajasthan | 5,764 | 2,029 | 750 | 77 | 8,620 |
| Tamil Nadu | 4,857 | 992 | 2,814 | 31 | 8,694 |
| Telangana | 2,638 | 484 | 1,859 | 100 | 5,081 |
| Tripura | 498 | — | 33 | — | 531 |
| Uttar Pradesh (East) | 7,038 | 1,444 | 1,320 | 62 | 9,864 |
| Uttar Pradesh (West) | 4,782 | 394 | 1,147 | 26 | 6,349 |
| Uttarakhand | 1,599 | 66 | 391 | 25 | 2,081 |
| West Bengal | 6,197 | 64 | 579 | 41 | 6,881 |
| Total | 90,278 | 16,457 | 30,078 | 1,273 | 138,086 |

Age Profile

As of March 31, 2021, the average age of our Towers was approximately three years. The following table sets forth the age profile of our Towers that were in operation as of March 31, 2021.

| Tower Type | Age Group | | | | Total |
|---------------|------------------|-----------|-----------|-------------------|---------|
| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | |
| GBT | 1,980 | 60,598 | 18,711 | 8,989 | 90,278 |
| GBM | 317 | 5,600 | 4,059 | 6,481 | 16,457 |
| RTP/RTT | 1,041 | 12,773 | 6,618 | 9,646 | 30,078 |
| COW | 10 | 765 | 453 | 45 | 1,273 |
| Total | 3,348 | 79,736 | 29,841 | 25,161 | 138,086 |

Tower Development Process

Under the Project Execution Agreement, RPPMSL carries out the tower development process on our behalf, ranging from site acquisitions, procurement and warehousing, construction contracting, site construction and engagement of suppliers. The Project Execution Agreement contains provisions that set out the process by which RPPMSL should implement the tower development process, under our close supervision. As new towers are transferred to us only after they have been fully constructed by RPPMSL and RJIL has been set up as the anchor sharer, we believe that we do not bear risks related to the tower development process.

New towers are constructed based on the market conditions and as agreed by us under the Project Execution Agreement. The typical steps for developing a new tower include: (i) land acquisition, (ii) procurement of electricity-related approvals, (iii) procurement of municipality approvals and (iv) construction (including laying electronics and diesel generator foundation and erecting towers). Once these steps are completed, which typically take approximately 60 days, RPPMSL considers our sites to be “ready for installation” and allows wireless service providers to install their electronic equipment. The installation process typically takes two to three days, after which the towers are available for use by our customers for operation of their networks.

Our Customers

Reliance Jio Infocomm Limited

RJIL is currently the anchor sharer of our Towers. RJIL is one of the wireless broadband services in India and has built a data network throughout India with the latest 4G LTE technology for offering wireless services. RJIL plans to provide wireline services, fiber-optic communication network, enterprise offering, IOT and other digital services using 5G technology. RJIL has created a digital ecosystem comprising of telecommunication network, devices, phone application and contents which enables its digital users to receive high quality service at affordable prices. The tower infrastructure provided by us enables RJIL to provide a broad coverage and reach wider range of customers in India with its 4G services.

As of March 31, 2021, RJIL had 423 million wireless subscribers on its network, making it the largest wireless telecommunications service provider by subscriber numbers in India, according to TRAI. According to TRAI, RJIL has consistently been gaining market share across telecommunications circles in India and as of March 31, 2021, it had the largest market share of wireless subscribers at 35.8%, driven by its efficient sales channels, simplified fee structure and various value offering for end users. In addition, as of March 31, 2021, RJIL was the industry leader in the Indian telecommunications sector with the largest market share of total broadband subscribers at 54.7%. For further details, see the section entitled “Industry Overview.”

In December 2019, we entered into the 30-year Master Services Agreement where RJIL provides minimum guaranteed tenancies with fixed price escalations, and where we provide passive tower infrastructure services to RJIL. RJIL has certain rights under the Master Services Agreement, including for taking up additional tenancies on the Towers. We have the right of first offer whenever RJIL needs additional tower infrastructure, and operating expenses such as rent and power and fuel expenses attributable to RJIL are fully passed through. In addition, construction of new towers for our portfolio are undertaken by RPPMSL, RJIL’s subsidiary, under fixed prices.

Operation and Maintenance

Under the O&M Agreement, RPPMSL is responsible for operations, maintenance and periodic repairs required for our Towers for a period of 30 years. RPPMSL’s responsibilities include, among other things,

(i) performing various maintenance activities and periodic repairs of the Towers; (ii) operating the Towers efficiently to slot in additional sharers; (iii) replacing passive equipment, such as power plants, diesel generator sets, battery bank; and (iv) paying operating costs, including insurance policies and associated costs of any claims and annual maintenance costs. We have the right to conduct audits of the Towers based on an internally agreed audit plan, and we supervise RPPMSL's operation and maintenance activities at national, regional and circle levels to ensure that the requirements under service level agreements for the Towers are met.

Competition

The tower industry is highly competitive. We believe competition in the tower industry in India is based principally on size of site portfolio, pricing, tower location, relationships with telecommunications operators, tower quality and height, operational management and additional services to sharers.

We believe that Indus Towers Limited and ATC Telecom Infrastructure Private Limited are some of our key competitors. With the increasing trend of TSPs hiving off their tower assets to independent tower companies, we believe that there would be increasing scope for passive infrastructure sharing on the tower assets. We believe that with our pan-India presence as well as the high quality of our relatively newer portfolio of tower with approximately 62% of our Towers having fiber as backhaul, we would be able to effectively compete in the market. Furthermore, we believe that (i) our innovative power supply mechanism for our Towers, (ii) the superior tower design for ground-based towers and ground-based masts for delivering cost effective solutions and (iii) advanced micro-pilling methodologies for building foundation for our Towers which enable a quicker and more efficient construction, would also assist us in competing effectively with our competitors.

As large telecommunications operators in India continue to compete for incremental subscribers and invest for growth in network traffic and capacity requirements, the tower infrastructure industry in India may continue to experience consolidation. Our continued success would depend on, amongst other things, our ability to capture open market demand for base transceiver stations by responding to changing market condition, increasing our tower footprint. Furthermore, improving fiberization of our portfolio and transitioning towards new technology which requires denser networks.

Suppliers

Under the Project Execution Agreement, RPPMSL purchases equipment (mainly comprising of telecommunication towers, diesel generator sets, switch mode power supplies, air conditioning units and batteries) from suppliers in both India and overseas. Such suppliers provide warranty and maintenance services for the equipment. RPPMSL's long-standing relationships with various third-party suppliers help it obtain necessary supplies and services in a cost-effective manner.

Health, Safety and Environment

We are committed to, and have stipulated that RPPMSL is committed to, ensuring that our business activities are conducted safely, the health of our employees, contractors and the public are protected and the environmental impact resulting from our operations are within global regulatory standards. To that end, we have adopted certain standards for health, safety and environmental and social sustainability and put in place policies and system in order to comply with such standards, including adequate safeguards for operational and personal safety of our employees and contractors, adverse impact on environment and risks to the community that arise due to our operations, responsible and efficient utilization of energy resources to reduce emissions, waste disposal measures and compliance with statutory requirements on health, safety and environment.

In addition, we provide to all of our employees medical health insurance to handle any medical emergencies and injuries arising out of our business operations. We also require our contractors to have their own health, safety and environment management system in place as well as necessary licenses, certifications, healthcare policies. We ensure that all contractors wear protective equipment when they work at our Towers.

Technology

We have adopted, or are in the process of adopting, various technology platforms and operating systems to coordinate and optimize our operations, including communication and operational processes between our offices in the different cities and towns in India. These systems allow our team to effectively oversee and manage our operations efficiently across India.

Properties

Our registered office is located at 511, Shapath-V, Near Karnavati Club, S G Highway, Ahmedabad-380015, Gujarat, India. Our corporate office is located at Unit-2, Tower-4, 9th Floor, Equinox Business Park, L.B.S. Marg, Kurla (W), Mumbai-400070, India.

Our Towers are installed on lands and building rooftops that we have leased under long-term lease and license agreements from private parties and government institutions. Typically, the average term of agreement is 15-20 years wherein the rent-free period is 60 days from the commencement date. The agreements typically include a rent escalation at the rate of approximately 10% which is applied every three years. Under the agreements, sharing of the sites with other telecommunications operators is allowed. Site owners cannot terminate the agreement during the entire term of the agreements whereas we can terminate with a three-month notice.

Insurance

Our business operations are subject to hazards inherent in providing operation and maintenance services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. To mitigate these risks, we maintain insurance policies in line with industry norms, including a cellular network policy. We perform regular assessment on the adequacy of our insurance coverage on a yearly basis. Our costs and expenses for insurance, which we pay to RPPMSL, are fixed under the O&M Agreement.

Employees

As of March 31, 2021, we had 99 full-time employees. We are led by a team of senior managers who are responsible for our strategy and overall operations.

We conduct periodic reviews of our employees' job performance and determine salaries and discretionary bonuses based upon those reviews and general market conditions. In addition, we offer internal training programs tailored to different job requirements to develop our employees' skills.

We believe that we have a good working relationship with our employees and we have not experienced any significant labor disputes. Our employees are not subject to any collective bargaining agreements or represented by labor unions.

Our compensation and benefit packages take into consideration local economic factors when implementing our policies. We comply with provisions of the applicable labor laws, including provident fund and superannuation. The compensation philosophy for management personnel is that compensation is linked to performance, with rewards through various incentives.

The benefits we provide to our employees include: various medical insurances, including accident insurance and term life insurance, as well as Mediclaim for both the employees and their immediate family members; mobile devise reimbursements; relocation assistance for new employees; employee referral allowances; and employee birthday celebration allowances.

Legal Proceedings

At any given time, we may be subject to legal claims and regulatory actions against us in the ordinary course of our business. We assess our potential liability in such situations by analyzing the possible outcomes of various litigation, regulatory and settlement strategies. If we determine a loss is probable and its amount can be reasonably estimated, we accrue an amount equal to the estimated loss.

Various cases have been filed in different courts and forums against us, which pertain to issues that include radiation emission, causing health hazards to the people in the vicinity of the Towers, title or property issues with respect to premises where the towers have been erected and violations of local town planning legislations. None of the proceedings individually involves an amount equivalent to or exceeding 5% of our asset value as reflected in the financial statements ended March 31, 2021. Except for the following, there are no proceedings that we consider to be material.

The validity of Central Value Added Tax (“CENVAT”) credit on the telecommunication tower is currently in dispute. The Bombay High Court had previously held that a telecommunication tower is immovable in nature and accordingly CENVAT credit on such tower is not permitted to be claimed, which ruling is currently appealed to the Supreme Court of India. In view of the ongoing litigation as well as the fact that telecommunication towers have been expressly excluded from the definition of plant and machinery under the Goods and Service Tax Act, the CENVAT credits claimed on telecommunication towers were reversed and RJIL was required to pay Rs. 2,944 million, for which RJIL filed a claim for refund. The amount paid under protest has been transferred to us after we acquired RJIL’s tower infrastructure business. In August 2019, the Commissioner of Central Tax, Central Excise and Service Tax (Appeals), Raigad has rejected RJIL’s claim for refund and an appeal has been filed by RJIL in the Customs Excise and Service Tax Appellate Tribunal in Mumbai, where the case is currently pending. In view of the above, Rs. 2,944 million is currently shown as non-current asset in our financial statements. If the case is decided against RJIL and therefore in effect against us, the same amount would be capitalized.

MANAGEMENT

Our Board of Directors

Our Board of Directors is responsible for the management and administration of the Company's affairs. Our Articles of Association provides that the number of Directors shall not be less than two and shall not be more than such number as may be stipulated by the Companies Act, unless otherwise determined by the Company in a general meeting. As long as the Tower Trust holds the majority of our equity shares, the Tower Trust nominates the majority of our Directors. Subject to the provisions of the Companies Act, our Board of Directors has the power to appoint a person as an additional Director, provided that the total number of Directors does not exceed the maximum number of Directors allowed under the Articles of Association. Such additional Director shall hold office only up to the date of the next general meeting of the Company but will be eligible for an appointment by the Company as a Director at such annual general meeting. The Directors are not required to hold any of our equity shares. Our Board of Directors currently consists of four Directors. The following table sets forth certain information with respect to our Board of Directors.

| <u>Name</u> | <u>Age</u> | <u>Position</u> | <u>Date of Appointment</u> |
|-----------------------------|------------|---|----------------------------|
| Dhananjay Joshi | 60 | Managing Director and Chief Executive Officer | March 8, 2021 |
| Mihir Anil Nerurkar | 45 | Non-Executive Director | August 31, 2020 |
| Jeffrey Wayne Kendrew | 61 | Non-Executive Director | August 31, 2020 |
| Arpit Agrawal | 34 | Non-Executive Director | August 31, 2020 |

Brief profile of our Board of Directors

Mr. Dhananjay Joshi is the Managing Director and Chief Executive Officer of the Company. He has over 30 years of diverse and challenging experience in deploying Telecommunication networks & business management of mobile telecommunication infrastructure projects. He has also worked with BPL Mobile, Ericsson India and Bharti Infratel. He has worked in the capacity of customer unit head and key account manager responsible for complete end-to-end business cycle with profit and loss responsibility, innovative business models to work with mobile operators. He has established C level relationship with customers as well as in the telecommunications industry and managed our operations of more than 100,000 Towers. Dhananjay holds a Bachelor of Engineering degree in Electronics & Communication.

Mr. Mihir Anil Nerurkar is a Non-Executive Director of the Company and the Managing Director and Operating Partner in Brookfield's Infrastructure Group for India. In this role, he oversees operations of all infrastructure assets in India. He joined Brookfield in 2019 and brings to this role over 20 years of experience across financial services, real estate and infrastructure sectors. Prior to joining Brookfield, he held leadership roles with a boutique financial services firm and a leading real estate firm in India. He began his career with the operations strategy group at Deloitte Consulting in New York. He holds a master's degree from Syracuse University and a bachelor's degree from University of Pune, India.

Mr. Jeffrey Wayne Kendrew is a Non-Executive Director of the Company and the Vice Chairman of Brookfield Infrastructure Group (Australia) responsible for Brookfield's infrastructure asset management function in the Asia Pacific region. He served as Chief Executive Officer of Prime Infrastructure from 2007 prior to its merger with Brookfield. Previously, he was General Manager of Corporate Development at a New Zealand-based utility. He holds a Bachelor of Engineering from the University of Canterbury New Zealand and an MBA from Deakin University. He is a member of the Australian Institute of Company Directors and Electrical Engineers, New Zealand.

Mr. Arpit Agrawal is a Non-Executive Director of the Company and the Managing Director and Head of Investments for India and the Middle East in Brookfield's Infrastructure Group. In this role, he is responsible for all infrastructure investment activity in the regions. Prior to joining Brookfield in 2016, He was a vice president with an infrastructure asset manager. He holds a Master of Business Administration from the Indian Institute of Management Bangalore and a Bachelor's degree from the National Institute of Technology Allahabad.

Senior Management

The following table sets forth certain information with respect to our senior management.

| <u>Name</u> | <u>Position</u> | <u>Date of Appointment</u> |
|-----------------------------|---|----------------------------|
| Mr. Dhananjay Joshi | Managing Director and Chief Executive Officer | March 8, 2021 |
| Mr. Inder Kumar Mehta | Deputy Chief Financial Officer | June 21, 2021 |
| Mr. Dewang M. Goohya | Chief Human Resources Officer | September 1, 2020 |
| Mr. Sunil Panjwani | Chief Risk Officer | September 1, 2020 |
| Mr. Daves Garg | Chief Sales & Marketing Officer | September 1, 2020 |
| Mr. Sachin Naik | Chief Operating Officer | October 24, 2020 |

Brief profile of our senior management

Mr. Dhananjay Joshi. Please see the “ — Brief profile of our Board of Directors — Mr. Dhananjay Joshi” above.

Mr. Inder Kumar Mehta is the Deputy Chief Financial Officer of the Company. He has 25 years of experience and held finance and commercial leadership roles at Fortune 500 companies such as BP plc. and Bharat Petroleum Corporation Limited, in addition to 3 years of training at Ernst & Young. At BP, he contributed to setting up finance, treasury, risk management and governance for BP's new business in India post acquisition of stake in oil and gas assets for US\$ 7 billion from Reliance Industries Limited. He had provided financial leadership to BP's first greenfield project and the first joint venture for the gas business with Reliance Industries Limited in India. He was responsible for financial planning, reporting in India and overseas, systems and controls as well as tax. He had played a key role in implementing controls for the Sarbanes-Oxley Act and IFRS for the lubricants business at Castrol Limited across Middle East, Turkey, South Africa and India. Prior to BP, he was at Bharat Petroleum Corporation Limited where he steered the financial and commercial aspects of the lubricant business and contributed to driving the growth strategy, entering overseas markets and implementing strategic projects and value maximization efforts. He is a Commerce Graduate, a Chartered Accountant, a Cost & Management Accountant and a Certified Information Systems Auditor from the USA and he is certified in SAP FICO.

Mr. Dewang M. Goohya is the Chief Human Resources Officer of the Company. He has over 20 years of experience in human resources, including 10 years at senior management posts at companies such as Essar Group, Vodafone and Suzlon. He holds a Bachelor of Commerce and a Master of Business Administration in Human Resources.

Mr. Sunil Panjwani is the Chief Risk Officer of the Company. He has over 25 years of work experience in corporate governance, risk management, compliance and auditing. Prior to joining the Company, he served as the chief audit executive and a global head of health, safety and environment for CG Power & Industrial Solutions. He holds a Bachelor of Commerce, a Master of Business Administration in Finance and a Master of Science in Management Information Systems.

Mr. Devesh Garg is the Chief Sales and Marketing Officer of the Company. He has over 25 years of experience working in diverse industries including automotive, oil and gas, industrial products and telecommunication infrastructure. Prior to joining the Company, he worked in companies such as Honda Suel Power Products, Gujarat Gas, Ester Industries and Indus Towers. He holds a Bachelor of Technology and a Master of Business Administration in International Business.

Mr. Sachin Naik is a Chief Operating Officer of the Company. He has over 25 years of experience in telecommunication business management, network operations, product management and infrastructure rollout. Prior to joining the Company, he served as a chief operating officer for Bharti Infratel and as country manager of Nepal at Ericsson. He holds a Bachelor of Engineering in Electronics & Communication from Karnataka Regional Engineering College and a Postgraduate Certificate in Business Management from Xavier School of Management.

Remuneration

For the financial year ended March 31, 2021, the total remuneration paid to our Board of Directors and our senior management was Rs. 13 million.

Corporate Governance

Our corporate governance is driven by our “core governance policies” in relation to our code of conduct, ABC Policy, whistle-blower policy, third party management policy, gift, entertainment and hospitality policy, interaction with public officials policy and conflict of interest policy, among others.

Committees of the Board

Our Board of Directors does not have any committees, as board committees are not required under the Companies Act.

Interest of Directors and Key Managerial Personnel

The Directors and key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled in accordance with their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. As of March 31, 2021, the Directors and key managerial personnel of our Company do not hold any of our equity shares.

PRINCIPAL SHAREHOLDERS

As of March 31, 2021, Tower Trust held 2,150,000,000, i.e., 100%, of our equity shares (including 1 equity share held by BIF IV Jarvis India Pte. Ltd., the beneficial interest of which is with Tower Trust) at Rs. 1 per share, and Reliance Industries Limited held 50,000,000, i.e., 100%, of our redeemable, non-participating, non-cumulative, non-convertible preference shares at Rs. 10 per share.

RELATED PARTY TRANSACTIONS

Our Company enters into transactions with related parties in the ordinary course of its business.

For details of our Company's related party transactions as at and for the financial years ended March 31, 2020 and 2021 as per the requirements under Ind-AS 24 'Related party disclosures' notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, see our Company's audited financial statements as at and for the financial years ended March 31, 2020 and 2021.

REGULATIONS

Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of our Company. The laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Regulatory Framework for the Tower Sector

Electricity Act

The Electricity Act, 2003 (the “**Electricity Act**”) vests the right in the owner or occupier of any premise, to request a distribution licensee to supply electricity to such a premise within one month of the receipt of such application and the owner or occupier of such a premise is required to pay the charges for provision of electricity to the distribution licensee. The charges shall be in accordance with such tariffs fixed from time to time and the conditions of the distribution licensee’s license.

The Ministry of Power (“**MoP**”) introduced the Electricity (Amendment) Bill, 2020 (the “**Amendment Bill**”) to amend the Electricity Act, 2003 in order to promote the generation of electricity from renewable sources of energy. The Amendment Bill proposes to, *inter alia*, introduce Section 3A to the Electricity Act to allow GoI, to prepare and notify a “National Renewable Energy Policy” in consultation with the state governments, for the promotion of generation of electricity from renewable sources of energy and to prescribe a minimum percentage of purchase of electricity from renewable and hydro sources of energy.

Registration as Infrastructure Provider Category — I

Telecommunications infrastructure service providers are required to be registered with the DoT as an Infrastructure Provider Category I (the “**IP-I Provider**”) and obtain a certificate in this regard from the DoT (the “**IP-I Registration Certificate**”). An IP — I Provider can provide infrastructure such as dark fibers, right of way, duct space and towers on lease, rent out or sale basis to the licensees of telecommunication services on mutually agreed terms, but in accordance with the terms and conditions set out in IP-I Registration Certificate and the Revised Guidelines for Registration of Infrastructure Providers Category — I dated July 4, 2017 by the DoT (“**IP-Guidelines**”).

On March 9, 2009, the DoT issued an order regarding scope of IP-I providers. Under this order, DoT clarified that the scope of IP-I providers has been enhanced to cover active infrastructure, if such infrastructure is provided on behalf of the licensees, they can create active infrastructure limited to antenna, feeder cable, Node B, Radio Access Network and transmission system only for and/ or on behalf of unified access service licensees and/ or cellular mobile service providers licensees.

On November 28, 2016, the DoT clarified, in reference to above order, that the IP-I providers are not permitted to own and share active infrastructure. An IP- I provider can only install the active elements (limited to antenna feeder cable, Node B, Radio Access Network and transmission system only) on behalf of telecom licensees, that is, these elements should be owned by the companies who have been issued a license under Section 4 of Telegraph Act, 1885.

On August 16, 2019, the TRAI released a consultation paper on “Review of Scope of Infrastructure Providers Category — I (IP-I) Registration” whereby TRAI, among other things, sought comments from the relevant stakeholders on whether the scope of IP — I registration should be enhanced to include provisioning of common sharable active infrastructure.

Subsequently, the TRAI, after receiving comments from the relevant stakeholders on the Consultation Paper, issued recommendations on “Enhancement of Scope of Infrastructure Providers Category—I (IP—I) Registration” dated March 13, 2020, wherein the TRAI recommended, among other things, that (i) the scope of IP — I Provider registration should be expanded to satisfy the present need for telegraph in India; (ii) the expanded scope of IP — I registration should include to own, establish, maintain and work all such infrastructure items, equipment and systems which are required for establishing wireless access network, radio access network and transmission links. The scope should also include, but not be limited to, right of way, duct space, optical fiber, tower, feeder cable, antenna, base station, in — building solution, distributed antenna system etc. within any part of India. However, it shall not include certain core network elements, as specified in such

recommendation; (iii) any service provider who has a valid authorization from the GoI to establish, maintain, and work a telegraph to deliver telecommunication services, within any part of India, shall only be eligible to obtain such a telegraph infrastructure on lease, rent, or purchase basis from IP-I registration holders; and (iv) the IP — I registration holder should be eligible to apply for and issue of license under the Indian Wireless Telegraphy Act, 1933 to possess such wireless telegraphy apparatus that is permitted under the scope of IP-I registration. However, the IP-I registration holder shall not be eligible to apply for and assignment of any kind of licensed spectrum.

On March 13, 2020, the TRAI issued certain recommendations for the enhancement of scope of IPOI registration holders, including but not limited to the following: (i) IP-I registration should include the ability to own, establish, maintain and work all such infrastructure items, equipment etc. (excluding switch, MSC, HLR, IN, etc.) which are required for establishing wireless access networks, radio access networks and transmission links; and (ii) IP-I registration holders should be eligible to apply for licenses under the Indian Wireless Telegraphy Act, 1933.

Infrastructure Sharing Guidelines

The DoT issued Guidelines for Infrastructure Sharing on April 1, 2008 (the “**Infrastructure Sharing Guidelines**”) applicable to service providers and infrastructure providers. Under the Infrastructure Sharing Guidelines, IP-I Providers are permitted to seek sitting clearance from the Standing Advisory Committee on Radio Frequency Allocation (“**SACFA**”) for erecting towers irrespective of whether the IP-I Providers have entered into agreements with licenses service providers. For setting up any wireless installations in India, clearance from the SACFA is required in respect of a fixed station and its antenna mast (cell sites).

Implementation of Green Technologies in Telecom Sector

On January 4, 2012, DoT issued an order stating, inter alia, that: (i) at least 50% of all rural towers and 20% of the urban towers are to be powered by hybrid power by 2015, while 75% of rural towers and 33% of urban towers are to be powered by hybrid power by 2020; (iii) all telecom products, equipment and services in the telecom network should be energy and performance assessed and certified “Green Passport” utilizing the ECR and the energy “passport” determined by the year 2015.

On October 23, 2017, TRAI released its recommendations on Approach towards Sustainable Telecommunications (“**Sustainable Telecommunications Recommendations**”). The Sustainable Telecommunications Recommendations provide that the TSPs should voluntarily adopt the Renewable Energy Technologies (“**RET**”) solutions, energy efficient equipment and high capacity fast charging storage solutions etc. to meet the target for reduction of carbon footprint. The electricity generated by the RET solution funded/ maintained by the TSP should be subtracted from overall carbon emission of the TSP irrespective of its use. Telecom Engineering Centre should set up the model lab facility for certification of telecom products, equipment and service on the basis of ECR. Government should make necessary provisions mandating that all telecom products, equipment and services in the telecom network should be energy and performance assessed and certified “Green Passport” utilizing the ECR and the energy passport.

On January 2, 2020, TRAI issued a direction withdrawing its previous direction issued on November 18, 2013, which directed, amongst others, telecom licensees to comply with the provisions of DoT’s directions dated January 23, 2012 and prescribed the manner and time period for providing carbon footprint reports to TRAI.

Right of Way Rules

On November 15, 2016, Ministry of Communications, DoT issued the Indian Telegraph Right of Way Rules, 2016 (the “**Telegraph Rules**”), to regulate underground infrastructure (optical fiber) and overground infrastructure (mobile towers).

Under the Telegraph Rules, applications for setting up of telecom towers have to be accepted or rejected within a period of 60 days, failing which the application will be deemed to have been approved. Rule 5 of the Telegraph Rules specifies the application by the licensee for establishment of telegraph infrastructure under immovable property under the control or management of appropriate authority, the authority may or may not grant the permission under Rule 6 of the Telegraph Rules. Similarly, Rule 9 of the Telegraph Rules specifies the procedure for application for establishing overground telegraph infrastructure upon immoveable property.

Installation of Mobile Towers

The DoT issued a letter dated December 11, 2012, to all telecom service providers requiring all telecom towers erected or used by telecom service providers to conform to the generic requirements of towers issued by Telecommunications Engineering Centre, which became effective from April 1, 2014.

Further, the DoT issued advisory guidelines for state governments for issue of clearance for installation of mobile towers. These guidelines became effective as on August 1, 2013. These guidelines provide for, among other things, procedure for obtaining clearance from local bodies or state governments for installation of mobile towers and the power accorded to the state government or the local body in this regard.

National Digital Communications Policy, 2018

The National Digital Communications Policy, 2018 seeks to (i) facilitate the establishment of mobile tower infrastructure by extending incentives and exemptions for the construction of telecom towers; (ii) accelerate rights of way permissions for telecom towers in government premises; and (iii) promote and incentivize deployment of solar and green energy for telecom towers. Further, the policy seeks to encourage and facilitate sharing of active infrastructure by enhancing the scope of infrastructure providers and promoting and incentivizing deployment of common sharable, passive as well as active, infrastructure. In terms of this policy, the GoI targets to achieve fiberization of at least 60% of telecommunication towers by 2022 to enable accelerated migration to 4G and 5G.

Permission from Municipal Authorities, Zila Parishad, Gram Panchayat and any other local authority

The local laws of many states in India require that in order to set up towers and other infrastructure, “no objection certificates”, change of user of land from local authority as applicable, such as, municipal authorities, zila parishad or gram panchayat in whose jurisdiction the towers are being constructed are to be obtained. For instance, in the State of Maharashtra, Section 44 of the Maharashtra Regional and Town Planning Act, 1966 specifies that any person intending to carry on any development on any land has to obtain permission from the planning authority by making an application in writing. On receipt of such application, the planning authority by under Section 45 of the aforesaid legislation, grant such permission unconditionally, or subject to such conditions as may be imposed with the prior consent of the state government. Such permission would be granted in form of a commencement certificate. Similar restrictions upon the development of land are laid down under Section 12 and 13 of the Delhi Development Act, 1957, as amended.

Foreign Investment Regulations

In terms of the Consolidated FDI Policy (effective from October 15, 2020), issued by the Department for Promotion of Industry and Internal Trade (formerly, Departmental of Industrial Policy and Promotion), 100% foreign investment in a company registered as an IP-I Provider is permitted. Of the aforesaid limit, up to 49% foreign investment is permitted under the automatic route and beyond that, under the approval route. Further, a person resident outside India may invest in the units of an infrastructure investment trust, being an investment vehicle, in terms of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Environment Laws

The major statutes in India which seek to regulate and protect the environment against pollution related activities include the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the “**Environment Protection Act**”). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed.

These authorities issue consent to establish and operate which are required to be renewed periodically. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect violation of such regulations.

In accordance with the Forest (Conservation) Act, 1980 read with the Forest (Conservation) Rules, 2003, state governments are not permitted to make any order directing the use of forest land for a non-forest purpose, or

assignment of any forest land through lease or otherwise to any private person or corporation without the approval of the GoI. The Ministry of Environment, Forests and Climate Change (“**MoEF**”) mandates the Environment Impact Assessment (“**EIA**”) must be conducted for specified projects. In the process, the MoEF receives proposals or the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The EIA Notification S.O. 1533, issued on September 14, 2006 (the “**EIA Notification**”) under the provisions of the Environment Protection Act, prescribes that physical infrastructure projects require prior environmental clearance from MoEF. The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work, preliminary or otherwise, relating to the setting up of a project can be undertaken until such clearance is obtained.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes, therefore minimizing the adverse impact on human health and environment. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

Further, according to the notification dated March 1, 2019 issued by MoEF, an occupier shall not be required to obtain an authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, from the relevant state pollution control board, in case the consent to establish or consent to operate, is not required from the relevant state pollution control board or pollution control committee under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, provided that the hazardous and other wastes generated by the occupier shall be given to the actual user, waste collector, or operator of the disposal facility, in accordance with the relevant guidelines issued by the Central Pollution Control Board.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “**Public Liability Act**”), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of “hazardous substances” covered by the legislation has been enumerated by the GoI by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The insurance policy is required to be for an amount in excess of the paid-up capital subject to a limit of Rs. 500 million. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016, as amended (the “**Bankruptcy Code**”) came into force with effect from August 5, 2016. The Bankruptcy Code primarily consolidates and amends the existing insolvency laws, inter alia, relating to companies and bodies corporate with the objective of providing clarity and consistency in the treatment of all the stakeholders in the insolvency process. The Bankruptcy Code establishes an Insolvency and Bankruptcy Board of India (Board) which, inter alia, functions as a regulator to oversee functioning of insolvency professionals, insolvency professional agencies and information utilities. The Board exercises a range of legislative, administrative and quasi-judicial functions. The Bankruptcy Code classifies creditors into, inter alia, financial creditors (i.e., creditors who have disbursed debt along with interest (if any) against the consideration for time value of money) and operational creditors (i.e., creditors who have a claim in respect of the provision of goods or services including employment or payment in respect of statutory dues). The Bankruptcy Code proposes to appoint specialized insolvency professionals tasked with the duty to oversee and facilitate the entire corporate insolvency resolution process for companies and bodies corporate. The Bankruptcy Code provides a 180 day timeline for insolvency resolution in cases of companies, which may be extended by 90 days. As part of the corporate insolvency resolution process, the resolution plan submitted by prospective resolution applicant(s) has to be approved by 66% of unrelated financial creditors and further by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal is the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being notified in a staggered manner and

some provisions and sections are not effective yet. To the extent notified, the Bankruptcy Code has amended relevant provisions of, inter alia, the Companies Act, 2013 and the other laws as specified therein. Further, an amendment has inter alia, mandated that the corporate insolvency resolution process be completed within an overall timeline of 330 days from the insolvency commencement date and has also clarified that a resolution plan under the Bankruptcy Code may include provisions for restructuring of the corporate debtor, including by way of mergers, amalgamations and demergers.

Foreign Exchange Management Act, 1999, Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and ECB Guidelines.

The laws relating to ECBs are embodied in the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and the rules, regulations, circulars or notifications issued by the RBI in relation to ECBs including the Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations issued by the RBI on March 26, 2019, the circular on External Commercial Borrowings (ECB) Policy — Rationalization of End-use Provisions dated July 30, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, each as amended (together, the “**ECB Guidelines**”). ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approval, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECBs under two categories (i) foreign currency denominated ECBs (“**FCY ECB**”); and (ii) Rupee denominated ECBs (“**INR ECB**”). In accordance with the ECB Guidelines, all entities that are eligible to receive foreign direct investment are classified as eligible borrowers for availing ECBs. Additionally, the ECB Guidelines also allows (i) port trusts; (ii) units in a special economic zone; (iii) Small Industries Development Bank of India; (iv) Export Import Bank of India; and (v) registered entities engaged in micro-finance activities, namely, registered not for profit companies, registered societies, trusts, cooperatives and non-government organizations (which are permitted only to raise INR ECBs) to raise ECBs.

An entity raising FCY ECB is required to follow hedging guidelines issued, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. Infrastructure space companies are required to have a board approved risk management policy and are required to mandatorily hedge 70% of their ECB exposure in case the average maturity of the ECB is less than five years. The designated AD Category-I bank shall verify that the 70% hedging requirement is complied with during the tenor of the ECB and report the position to RBI through Form ECB 2 returns. The ECB Guidelines permit refinancing of existing ECB by fresh ECB provided that the outstanding maturity of the original borrowing is not reduced and all-in-cost of fresh ECB is lower than the all-in-cost of existing ECB. Further, Indian banks are permitted to participate in refinancing of an existing ECB, only those raised by highly rated corporates (AAA) and or by Maharatna/Navratna public sector undertakings.

In relation to the utilization of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities; (ii) investment in capital market; and (iii) equity investment. Additionally, proceeds from an ECB cannot be utilized for (i) working capital purposes; (ii) general corporate purposes; and (iii) repayment of Rupee loans (except from a foreign equity holder and except as provided below). Additionally, for all ECBs, on-lending for any of the abovementioned activities is prohibited under the ECB Guidelines

The RBI issued a circular on July 30, 2019 in relation to “External Commercial Borrowings Policy — Rationalization of End-use Provisions” with a view to liberalize the end-use restrictions under the ECB Guidelines. The circular has modified the end-use restrictions such that the proceeds of ECB can be used towards working capital purposes and general corporate purposes, provided that the minimum average maturity period (“**MAMP**”) of such ECB is at least 10 years. In addition to the above, ECBs with a MAMP of seven years can also be availed by eligible borrowers (including NBFCs) for repayment of rupee loans availed domestically for capital expenditure. Further, the proceeds of ECB can now be used by eligible borrowers (including NBFCs) for repayment of rupee loans availed for purposes other than capital expenditure and for on-lending by NBFCs for the same purpose subject to compliance with MAMP of at least 10 years. Manufacturing companies as eligible ECB borrowers may avail up to U.S.\$50 million or its equivalent per financial year with a MAMP of one year. ECBs raised from foreign equity holders for working capital purposes, general corporate purposes or for repayment of Rupee loans may be availed with an MAMP of five years. In all other cases, the MAMP prescribed under the ECB Guidelines is three years.

The circular also permits eligible corporate borrowers to avail ECBs for (i) repayment of rupee loans availed domestically for capital expenditure in manufacturing and infrastructure sectors if such loans are classified as

special mention account category 2 or as non-performing assets under a one-time settlement; and (ii) Indian banks to sell, by means of assignment, such loans as mentioned above, to eligible ECB lenders, provided that the resultant ECB from such offshore lender complies with the all-in-cost, MAMP and other relevant norms of the ECB framework.

InvIT Regulations

The Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“**InvIT Regulations**”) governs the setting up and functioning of infrastructure investment trusts (‘InvITs’) such as the Parent. The InvIT Regulations provide that not less than 90% of net distributable cash flows of the Company is required to be distributed to the Parent in proportion of its holding in the Parent, subject to applicable provisions of the Companies Act.

Other Laws and Regulations

Certain other laws and regulations that are or may be applicable to include the following:

- (a) Companies Act, 2013;
- (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (c) Goods and Service Tax Act, 2017;
- (d) Income Tax Act, 1961;
- (e) The Code on Wages, 2019, once in force, will repeal Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and Payment of Wages Act, 1936);
- (f) Occupational Safety, Health and Working Conditions Code, 2020, once in force, will repeal the Contract Labour (Regulation and Abolition) Act, 1970;
- (g) Code on Social Security, 2020, once in force, will repeal, the Employee’s Compensation Act, 1923;
- (h) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- (i) Employees’ State Insurance Act, 1948, Maternity Benefit Act, 1961 and Payment of Gratuity Act, 1972;
- (j) Industrial Relations Code, 2020, once in force, will repeal Industrial Disputes Act, 1947; and
- (k) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

REGULATORY APPROVALS

Provided below are the material consents, permissions, registrations and approvals from the GoI, various governmental agencies and other statutory or regulatory authorities required for carrying out the Company's business, as well as approvals required in relation to the issuance of the Notes.

Approvals in relation to the Notes

- A resolution passed by the Board of Directors of the Company under Section 179 of the Companies Act authorizing, *inter alia*, (i) issuance of the Notes; (ii) creation of security for the Notes; and (iii) authorizing a person or persons to do all acts in relation to (i) and (ii) above, including execution of definitive documents.
- The Company is required to obtain a "Loan Registration Number (LRN)" for the Notes from its authorised dealer bank. A Form ECB is also required to be submitted by the Company for obtaining the LRN.
- A no-objection certificate is required to be obtained from the Company's authorized dealer bank prior to creation of security by the Company for the Notes.

Approvals in relation to our business

- The Company is registered with the GoI, Ministry of Communications, DoT as an Infrastructure Provider Category I to establish and maintain the assets such as dark fibers, right of way, duct space and tower for the purpose to grant to lease, rent or sale basis to the licensees to telecom services licensed under Section 4 of the Indian Telegraph Act, 1885 on mutually agreed terms and conditions.
- Certain other key permissions and approvals required to be obtained by the Company for its business are set out below:
 - approvals from local authorities, as applicable, such as municipal authorities and gram panchayats for setting up of towers;
 - consents or intimations from pollution control boards, as applicable, for operation of diesel generator sets; and
 - permissions from state electricity boards or power distribution companies, as applicable, for electrical connections.

We submit application(s) to the appropriate authorities for renewal of these approvals, as required. We also obtain, directly or through our contractors, all approvals, licenses, registrations and permissions required to operate our business.

The Company's business was transferred from RJIL and vested in the Company as of, and with effect from the close of business of March 31, 2019. Accordingly, certain approvals and permissions in relation to the business of the Company are in the name of RJIL and are in the process of being transferred and vested in the name of the Company. For further details, please see "*Risk Factors*".

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary of certain provisions of our material indebtedness and does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements and other relevant documentation. Furthermore, this summary relates primarily to our Company's principal long-term indebtedness.

As on March 31, 2021, the total external borrowings of the Company on a consolidated basis is Rs. 183,475,400,000 and the total shareholder loan of the Company is Rs. 250,000,000,000. The total borrowings (indebtedness) as on March 31, 2021 consisted of long-term borrowings and current maturities of long-term borrowings. The borrowings include Rupee loans and debentures. All our consolidated total outstanding borrowings as on March 31, 2021 were denominated in Rupees.

Unsecured Indebtedness

A. Tower Infrastructure Trust ("Parent")

The Company entered into a term loan agreement dated August 26, 2020 with Infinite India Investment Management Limited, as the investment manager of the Parent, for an aggregate amount of Rs. 250,000,000,000.

The agreement provides for a moratorium period of 3 years from the date of the first drawdown for payment of principal. Further, there is no fixed repayment schedule for this loan as per the loan agreement. The cash surplus is subject to the InvIT Regulations, and is calculated post deducting, among other things, payment towards scheduled external debt obligations of the Company. The availability of cash surplus determines the payment of interest on the loan and towards any repayment of this loan. Thus, cash surplus which is available with the Company will be applied by the Company towards the payment of interest on the loan and subject to moratorium mentioned above, towards the repayment of this loan. Further, no repayment date shall fall 30 years from the date of the first drawdown. The agreement also states that all the outstanding amounts under this loan and all other obligations and liabilities of the Company under the loan agreement shall constitute subordinated obligations.

In relation to the above loan granted by the Parent to the Company, the Parent is required to provide an undertaking (executed by its trustee, Axis Trustee Services Limited) dated the Closing Date in favor of the Noteholders. Under the terms of the undertaking, the Parent shall agree, among other things, that (i) the loan and any other debt extended by the Parent to the Company in the future (together, the "**Parent Indebtedness**") is and shall remain subordinated to the Notes, (ii) the interest payment on the Parent Indebtedness shall not be paid upon occurrence of any Event of Default under the Notes, which is continuing (iii) the principal amount of the Parent Indebtedness shall not be repaid upon occurrence of any Event of Default under the Notes, which is continuing, (iv) the Parent shall not have the right to accelerate repayment or to declare a default, an event of default or a prepayment event under a Parent Indebtedness pursuant to an event of default while the Notes are outstanding, and (v) the principal amount of and the interest on the Parent Indebtedness shall be paid only if the Company has cash surplus subject to the InvIT Regulations (calculated post deducting, among other things, payment towards scheduled external debt obligations of the Issuer). The parent undertaking has been designated as a Security Document for the purposes of the Notes.

Secured Indebtedness ("Secured Borrowings")

As on March 31, 2021, the aggregate amount of Secured Borrowings of the Company on a consolidated basis which is outstanding is Rs. 183,475,400,000.

1. Rupee Term Loans

The Company is party to agreements under which borrowings are denominated in Rupees with banks and financial institutions (each a "**Rupee Bank Loan**").

The facilities are typically secured by a charge over our present and future movable assets and current assets including, in certain cases, our bank accounts, intangible assets including all accounts of the Company. The following is a description of certain material terms of the Rupee Bank Loans.

The interest rate payable by the Company on certain Secured Borrowings is a floating interest rate, which is reset on an annual basis in accordance with the terms of the relevant financing documents.

The following is a description of certain material terms of the Rupee Bank Loans.

A. Axis Bank Limited

The Company entered into a term loan agreement dated January 18, 2020 with Axis Bank Limited for an aggregate sanctioned amount of Rs. 50,000,000,000. It is to be repaid in 40 equal consecutive quarterly instalments, the first of which shall be repaid on the date falling 27 months after the first drawdown date i.e., starting from December 1, 2022.

As on March 31, 2021, an amount of Rs. 8,000,000,000 was outstanding under this Rupee Bank Loan and the applicable rate of interest payable on this loan is 8.00%.

B. Bank of Baroda

The Company entered into a term loan agreement dated February 15, 2020 with Bank of Baroda for an aggregate sanctioned amount of Rs. 30,000,000,000. It is to be repaid in 40 equal consecutive quarterly instalments each for any amount equal to Rs. 750,000,000, the first of which shall be repaid on the date falling 27 months after the first drawdown date i.e., starting from December 1, 2022. It has a tenure of 12 years with a moratorium of 2 years.

As on March 31, 2021, an amount of Rs. 6,000,000,000 was outstanding under this Rupee Bank Loan and the rate of interest payable on this loan is 8.50%.

C. HDFC Bank Limited

The Company entered into a term loan agreement dated January 28, 2020 with HDFC Bank Limited (as amended from time to time) for an aggregate sanctioned amount of Rs. 70,000,000,000. It is to be repaid in 40 equal consecutive quarterly instalments each for any amount equal to 2.5 % of the total draw down, the first of which shall be repaid on the date falling 27 months after the first drawdown date i.e. starting from December 1, 2022.

As on March 31, 2021, an amount of Rs. 19,000,000,000 was outstanding under this Rupee Bank Loan. The interest payable on a part of this loan, the outstanding of which as on March 31, 2021 is Rs. 7,000,000,000, is a fixed interest at the rate of 6.15% for 3 years from the drawdown date, post which the interest rate will be the same as that is payable on the balance portion of the loan. The applicable rate of interest payable on the balance portion of this loan as on March 31, 2021, is 8.10%.

D. Housing Development Finance Corporation Limited

The Company entered into a term loan agreement dated February 13, 2020 with Housing Development Finance Corporation Limited for an aggregate sanctioned amount of Rs. 15,080,000,000. It is to be repaid in 40 consecutive quarterly installments which consist of 39 equal instalments for an amount equal to Rs. 375,000,000 and the last instalment of Rs. 455,000,000 of the total loan drawn down at the end of the availability period of this loan.

As on March 31, 2021, an amount of Rs. 3,000,000,000 was outstanding under this Rupee Bank Loan and the rate of interest payable on this loan is 8.30%.

E. Punjab National Bank

The Company entered into a term loan agreement dated January 17, 2020 with Punjab National Bank for an aggregate amount of Rs. 30,000,000,000. The final maturity date is 12 years starting from first disbursement. It is to be repaid in 40 equal consecutive quarterly instalments, each for an amount equal to Rs. 750,000,000 the first of which shall be repaid on 27 months after the first drawdown date i.e. starting from December 1, 2022.

As on March 31, 2021, an amount of Rs. 6,000,000,000 was outstanding under this Rupee Bank Loan and the rate of interest payable on this loan is 7.85%.

F. State Bank of India

The Company entered into a term loan agreement dated February 19, 2020 with State Bank of India for an aggregate amount of Rs. 70,000,000,000. The final maturity date is 12 years starting from first disbursement. It is to be repaid in 40 equal consecutive quarterly instalments, each for an amount equal to Rs. 1,750,000,000 starting from December 1, 2022.

As on March 31, 2021, an amount of Rs. 14,115,400,000 was outstanding under this Rupee Bank Loan and the rate of interest payable on this loan is 7.70%.

G. Union Bank of India

The Company entered into a term loan agreement dated January 18, 2020 with Union Bank of India for an aggregate amount of Rs. 10,000,000,000. The final maturity date is 12 years starting from first disbursement. It is to be repaid in 40 equal consecutive quarterly instalments, the first of which shall be repaid on date falling 27 months after the first drawdown date i.e., starting from December 1, 2022.

As on March 31, 2021, an amount of Rs. 3,000,000,000 was outstanding under this Rupee Bank Loan and the rate of interest payable on this loan is 8.00%.

H. ICICI Bank

The Company entered into a term loan agreement dated August 26, 2020 with ICICI Bank (as amended from time to time) for an aggregate amount of Rs. 25,000,000,000. The final maturity date is 12 years starting from first disbursement. It is to be repaid in 40 equal consecutive quarterly instalments, each of Rs. 625,000,000 the first of which shall be repaid on date falling 27 months after the first drawdown date.

As on March 31, 2021, an amount of Rs. 6,000,000,000 was outstanding under this Rupee Bank Loan and the rate of interest payable on this loan is 8.05%.

2. Rupee Debentures

A. SBI 1Y MCLR + 0.97% Listed Non-Convertible Debentures (allotted on March 15, 2021)

The Company issued 118,360 secured, listed, redeemable non-convertible debentures (the “Debentures”) on private placement basis having a face value of Rs. 1,000,000 per Debenture aggregating to Rs. 118,360,000,000. The Debentures are listed on the wholesale debt market segment of BSE limited and National Stock Exchange of India Limited. These Debentures are redeemable in 40 equal consecutive quarterly instalments, each for an amount equal to Rs. 2,959,000,000, the first of which shall be repaid on the last day of the 20th month falling after March 15, 2021.

As of March 31, 2021, an amount of Rs. 118,360,000,000 was outstanding under these Debentures and the rate of interest payable on the Debentures as of March 31, 2021 is 7.97%. The interest rate payable on the Debentures are floating interest rates that are reset on an annual basis.

Certain terms of the Rupee Bank Loans granted to the Company and the Debentures issued by the Company are set out below:

Security

The Company has created the following security in favor of the lenders of the Secured Borrowings:

- (a) a first charge by way of hypothecation over all its movable fixed assets (present and future);
- (b) a first charge by way of hypothecation over all its current assets (present and future);
- (c) assign by way of hypothecation all of its rights under (i) the Master Services Agreement; (ii) the O&M Agreement; and (iii) the Project Execution Agreement;
- (d) a first charge by way of assignment over all its rights in relation to its receivables in respect of the setting up, operation and management of the passive tower infrastructure under the material documents; and provision of services under the Master Services Agreement; and

- (e) only for the Rupee Bank Loans availed from State Bank of India, HDFC Bank Limited, Housing Development Finance Corporation Limited and the Debentures, a first charge on the Company's designated accounts maintained with HDFC Bank and State Bank of India.

Covenants

The Company shall, among other things:

- (a) comply with all covenants and conditions under the finance documents including and the material documents, as specified under the relevant financing agreements;
- (b) seek prior written consent of the lenders for borrowings and creation of security (whether pari passu or otherwise) other than for borrowing up to a limit of Rs. 30,008 Crores as specified in the financing agreements;
- (c) obtain prior approval from the lender for winding up or liquidating its affairs;
- (d) obtain consent of the lenders prior to effecting any change in its capital structure where the shareholding of the Trust: (i) gets diluted below current level; or (ii) leads to dilution in controlling stake of the Trust for any reason
- (e) intimate or seek prior written consent of the lenders prior to change or alteration of its constitutional documents, in a manner detrimental to the lenders or contrary to the provisions of the finance documents, in case of occurrence and continuance of an event of default; and
- (f) obtain consent of the lenders prior to selling, assigning, mortgaging or otherwise disposing of any of the fixed secured assets, subject to certain exemptions.

The Secured Borrowings also impose certain financial covenants, including those that require us to maintain:

- a minimum asset cover ratio;
- a minimum debt service cover ratio; and/or
- a minimum total outstanding liabilities to tangible net worth ratio.

Events of Default

The occurrence of the following events, amongst others, constitutes an event of default, if such events are not remedied or waived by the lender within the cure periods provided to the Company:

- (a) failure to make payment when its due;
- (b) cessation or rendering ineffective or becoming infructuous of the Master Services Agreement and/or the failure of the parties to the Master Services Agreement to deliver on their obligation under the Master Services Agreement for any reason in terms of the relevant financing agreement;
- (c) any breach of or omission to observe any of the covenants, material obligations or undertakings;
- (d) cessation of business;
- (e) admission of any petition or application in relation to insolvency or bankruptcy resolution of the Company by any court, tribunal or authority of competent jurisdiction;
- (f) change in control of the Company; and
- (g) the occurrence of a cross default.

The financing agreements for the Secured Borrowings also provide that upon the occurrence of an event of default, the lenders by giving written notice to us can: (i) cancel the undrawn commitments; (ii) declare the loans and all secured obligations (including interest) immediately due and payable if an event of default occurs and is not cured within the agreed curing period; and (iii) exercise any and all rights specified as mentioned in the document and as permitted or available under law.

SUMMARY OF MATERIAL CONTRACTS

The following are summaries of the Tower Agreements. The descriptions and summaries of the Tower Agreements below are indicative, and they are not, nor do they purport to be, full, complete or exhaustive descriptions and summaries. Certain terms used in this section have the meaning assigned to them in the relevant Tower Agreements.

Master Services Agreement

RJIL, RPPMSL and the Company have entered into the Master Services Agreement dated December 16, 2019 together with the amendment to the Master Services Agreement dated August 26, 2020. The Master Services Agreement has come into effect on August 31, 2020.

Services:

Under the Master Services Agreement, the Company has agreed to provide to RJIL:

- (i). passive telecommunication infrastructure, including towers, rooms and shelters, diesel generator sets and electrical and civil works, direct current power systems and battery banks (such passive telecommunication infrastructure, the “**Passive Infrastructure**”) at the GBT Sites, GBM Sites, RTT Sites, RTP Sites or COW Sites which are completed and operational or under progress and any other passive telecommunication tower infrastructure sites aggregating to 174,451 sites (the “**Initial Tower Sites**”) and ROFO Tower Sites (together, the “**Sites**”); and
- (ii). operation and maintenance services, including general upkeep of towers and Sites, ensuring power supply to Sites at all times, maintaining earthing systems, conducting periodic stability checks of towers, arranging for the provision of fuel and filling the same in diesel generator sets at Sites, operating a security automation system and monitoring and maintaining monthly uptime and other service levels at contracted levels (together, the “**Services**”).

Charges:

The Company shall, in terms of the Master Services Agreement, charge RJIL in respect of the Initial Tower Sites that have been acquired by the Company and are operational as well as ROFO Tower Sites (as defined below), the following amounts on a monthly basis: (i) monthly site premium in respect of a Site (“**Monthly Site Premium**”); (ii) monthly site reimbursement (being in the nature of certain pass through expenses for the Site) (“**Monthly Site Reimbursement**”); and (iii) power and fuel consumption costs in respect of a Site (actual costs based on usage and consumption during each month including diesel filling costs) (“**P&F Costs**”).

In the event any additional amounts are payable in respect of a Site on account of a sharer, then such additional amount shall be borne by the sharer (“**Site Use Revenue**”) and shall not be payable by RJIL.

The Monthly Site Premium is subject to annual escalation as provided for in the Master Services Agreement. The Monthly Site Premium would also be adjusted for sharer discounts arising from Company generating additional revenues (excluding energy revenues) from sharers in the manner described in the Master Services Agreement.

Right of First Offer:

If RJIL requires Passive Infrastructure and Services at any site, other than the Initial Tower Sites, during the term of the Master Services Agreement, Company shall have the first right to offer such Passive Infrastructure and Services at such Site (“**ROFO**”). The ROFO may be exercised by Company either by itself or through its affiliates. In the event Company itself elects to exercise its ROFO, and issues a site offer to RJIL which is accepted by RJIL by issuing a site order (“**ROFO Tower Site**”), then the charges described herein above shall become applicable to such ROFO Tower Site as well.

In the event Company exercises the ROFO through its affiliates, then such affiliate shall in the site offer to RJIL, specify the commercial terms such as Monthly Site Premium, Monthly Site Reimbursement and expected P&F Costs. In the event RJIL accepts the terms of the site offer made by the affiliate of Company and issues a site order (“**Affiliate ROFO Tower Site**”), then the charges specified in the site offer shall become applicable to such Affiliate ROFO Tower Site.

In the event Company does not exercise the ROFO or in the event the site offer made by Company or its affiliate is not accepted by RJIL, then RJIL may, at its discretion, either: (i) avail Passive Infrastructure and

Services from another service provider, subject to the right of the affiliate of Company to match the terms offered by such other service provider; or (ii) construct its own macro tower at the underlying telecommunication site either by itself or through its affiliates subject to a right offered to Company to acquire such constructed Site at the Tower Purchase Price (as defined under the Project Execution Agreement). In the event Company acquires such Site from RJIL, then the charges specified hereinabove shall apply to such acquired Site as well. In the event the Company does not acquire such Site from RJIL, RJIL shall be entitled to use such Site without limitation.

The ROFO and other related actions shall operate within such timelines as specified in the Master Services Agreement.

Site Access:

Company shall provide access to RJIL (and its authorized sub-contractors) to the Sites during reasonable business hours to enable RJIL to exercise its rights under the Master Services Agreement, including for inspection and testing at the site, ascertaining the readiness and state of Passive Infrastructure, installation, operation and maintenance of its equipment and to evaluate the provision of Passive Infrastructure and Services.

Minimum Guaranteed Tenancies:

If the Company receives a third party site request for space at any GBT Site, RTT Site or RTP Site, in each case forming part of an Initial Tower Site, for no more than the Third Party Site Specification (as detailed in the Master Services Agreement) and the Company is unable to accept such third party site request due to insufficient space at or strength of such Site, then the Company shall notify RJIL at which stage RJIL may exercise any one of the following options: (i) remove its equipment to the extent required to accommodate the third party to the extent of the Third Party Site Specification; or (ii) incur capital expenditure to accommodate the third party to the extent of the Third Party Site Specification; or (iii) pay the site premium that such third party had offered to the Company for the Third Party Specification. However, the obligation of RJIL, in this case, is limited to (i) the first sharer on the first 50% cumulatively of the RTT Site and RTP Sites, and (ii) first sharer on all GBT Sites. The operation of this provision shall be within the timelines specified in the Master Services Agreement.

Relocation:

In the event Company is required to relocate its operations from any Initial Tower Site to a new Site, pursuant to applicable law or directions of any government authority or due to acts of the site owner which are not attributable to the Contractor and/or RJIL then the Contractor shall within such period of time as specified in the Master Services Agreement provide RJIL with details of an alternate Site ("**Alternate Site**") together with such information as specified in the Master Services Agreement. If such Alternate Site is acceptable to RJIL, then RJIL shall issue an acceptance notice to Company within such timelines as specified in the Master Services Agreement.

Until the issuance of such acceptance notice by RJIL, RJIL shall continue to pay charges specified hereinabove for the original Site. Further, RJIL shall also bear any expenses or costs towards original Site post receipt of relocation excluding costs attributable to sharers or other tenants. RJIL will not be liable to make any such payments if relocation is due to the act or omission of any sharer or Other Tenant (as defined in the Master Services Agreement) or any person placing any advertisement on such Site.

Substitution:

If RJIL decides not to use Passive Infrastructure and Services on any Initial Tower Site for its full service term or wishes to terminate or decommission the use thereof without cause, RJIL will issue a notice to Company and the Contractor requesting for Passive Infrastructure and Services for the remainder of the service term at another Initial Tower Site ("**Substitute Site**").

Upon receipt of such notice from RJIL, the Contractor will offer a Substitute Site to RJIL subject to certain conditions. If such Substitute Site is acceptable to RJIL, RJIL shall issue its acceptance notice to such Substitute Site provided that at any given point in time the total number of Substitute Sites in a service area is not more than 0.50% of the total number of Sites (including such Substitute Site) in the relevant service area.

General Obligations and Covenants:

Company has agreed to undertake certain obligations, including:

- (i). maintaining registrations, permits and licenses, including its registration with the DoT as an Infrastructure Provider Category I (the "**IP-I**"), as may be required to perform its obligations;

- (ii). providing the Passive Infrastructure and Services in accordance with good industry practices;
- (iii). performing its obligations in compliance with applicable laws;
- (iv). permitting RJIL to install additional equipment at Sites subject to the terms of the Master Services Agreement;
- (v). not undertaking any action which adversely affects or prejudices any of the rights of RJIL under the Master Services Agreement or its operations at the relevant Sites;
- (vi). ensuring that no act or omissions of any sharer or Other Tenant or any person placing any advertisement adversely affects or prejudices any of the rights of RJIL hereunder or its operations at the relevant Sites; and
- (vii). not offering to third parties uptime service levels or access better than those provided to RJIL.

The Contractor has agreed to undertake certain obligations, including:

- (i). ensuring that any work undertaken by it, or any of its third party sub-contractors at any Site, including for installation, maintenance or replacement of any equipment, will not in any manner damage or interfere with the RJIL's equipment installed at the Site or the telecommunication services being provided using such equipment, including by installation of any equipment that is of a type or frequency which may cause interference with or obstruction to any of the equipment at the Site;
- (ii). placing adequate safety and security measures at the Sites in accordance with good industry practices in relation to the RJIL's equipment installed at the Site;
- (iii). confirming that the design and installation, either directly or through third parties, of the Passive Infrastructure at the Sites is in accordance with good industry practices; and
- (iv). providing peaceful enjoyment of the Passive Infrastructure and Services to RJIL, free from interference, objections, eviction and interruption.

RJIL has agreed to undertake certain obligations, including:

- (i). using the Passive Infrastructure in compliance with applicable law and the provisions of the Master Services Agreement;
- (ii). maintaining required licenses and approvals for its operations, including telecommunications licenses, if any, issued by DoT, Standing Advisory Committee for Frequency Allocation or Wireless Planning Commission clearance, and such other permits issued by DoT, TRAI or other applicable regulatory bodies, as may be applicable for the installation of active infrastructure at a site from time to time;
- (iii). not causing damage to, amongst others, the sites or Passive Infrastructure or equipment;
- (iv). maintaining its equipment in a good and safe state of repair and condition and ensure that the radiation levels and frequency levels are in accordance with applicable law; and
- (v). being responsible for all substantial obligations of compliance with environmental and industrial hygiene laws, including any regulations, guidelines, standards or policies of any governmental authorities as may be in effect at any time during the term of the Master Services Agreement that are in any way related to the activities conducted by RJIL at such sites.

Insurance

Each party to the Master Services Agreement shall obtain and maintain adequate insurance cover for all its assets to be used under or in connection with the Master Services Agreement and in respect of its liabilities thereunder. Further, the parties to the Master Services Agreement shall cooperate with each other in the process of making and pursuing insurance claims, to the extent such cooperation is necessary under applicable law.

Assignment:

None of the parties to the Master Services Agreement shall assign the Master Services Agreement, in whole or part, to any person, except in the manner specified therein. Any assignment in breach of the provisions of the Master Services Agreement shall be void ab initio.

Company may assign the Master Services Agreement by way of security to, and/or appoint as attorney in respect of its rights, any of the senior lenders and to other banks and financial institutions (to the extent agreed by

the senior lenders), with prior intimation to RJIL. Such assignment shall be in relation to raising finance for business of providing Passive Infrastructure and Services. The sale or transfer of its business or assets by the Company, in any other manner, shall require prior written consent of RJIL.

Financing Arrangements:

In terms of the Master Services Agreement, the key terms of the provisions relating to the financing arrangements existing as on August 31, 2020 are provided below:

- (i). RJIL is required to make payment to the Company of the entire charges based on monthly invoices. Furthermore, RJIL agrees to make payment of the charges in the amount at least equal to the amount of interest and principal required to be paid by the Company to lenders who have granted the Rupee Term Loans, prior to the relevant due date. This payment is required to be made without any set-off, deduction etc.
- (ii). the outstanding debt payment trigger events under the Master Services Agreement include events such as (a) non-payment by RJIL of charges in excess of Rs. 500 million within 30 days of the due date, (b) filing of any insolvency application under the Insolvency and Bankruptcy Code, 2016 by or against RJIL or the Company, in the manner specified under the Master Services Agreement, (c) cancellation or revocation of RJIL's telecommunication license or Company's IP-1 registration or any other material permit which has not been restored within 30 days from its cancellation or revocation.

If any of the outstanding debt payment trigger events occur, RJIL shall pay all outstanding debt granted by the lenders of the Rupee Bank Loans and by the holders of the Debentures within stipulated timelines. If RJIL fails to so make such payment, the lenders of the Rupee Bank Loans shall have a right to enforce their security interest over the assets of the Company pursuant to the financing documents. Further, the lenders of the Rupee Bank Loans of the Company (excluding the Trust) and the holders of the Debentures shall have the right to: (i) step into the Master Services Agreement and appoint a person having IP-1 registration to provide Passive Infrastructure and Services to RJIL, and/or (ii) assign and transfer the Master Services Agreement to a person having IP-1 registration) who shall stand substituted in place of the Company.

- (iii). The Company shall obtain the approval of lenders of the Rupee Bank Loans and the holders of the Debentures prior to granting any consent, waiver and/or approval sought by RJIL from Company under the Master Services Agreement.

The Noteholders will not have the benefit of the provisions relating to financing arrangements of the Company as included in the Master Services Agreement which are set out above.

Term and Termination:

The Master Services Agreement will be effective from the August 31, 2020 and remain valid for a period of 30 years thereafter and will not be terminable by either party during such term.

O&M Agreement

JIMSL, the Company and RPPMSL (the "**Operator**") entered into the O&M Agreement on December 16, 2019, which came into effect on August 31, 2020.

Services: Pursuant to the O&M Agreement, the Company has appointed the Operator to provide services in relation to Passive Infrastructure at the Sites (the "**Services**"). The Services include services related to general operations, work control, deployment, operations and maintenance, asset management and engineering, liaison, administration, provision of reasonable assistance in respect of litigation or arbitration proceedings or regulatory processes affecting the Passive Infrastructure and replacement of Passive Infrastructure.

In addition, the Operator has undertaken to provide various services, including the following:

- (i). using commercially reasonable endeavours to renegotiate all such lease or license agreements in relation to the Sites, where such lease, or license agreements are due to expire during the term of the O&M Agreement, to procure no less favourable terms than the existing terms and in case of any increase in the rentals upon renewal of any lease or license agreements, the proportion of the lease rent payable by RJIL in relation to the sharers shall not be lower than as set out under the original lease/leave and license agreement;

- (ii). using its reasonable endeavours to ensure that:
 - (a). there are reasonable security systems in place at the Site for safety of the Passive Infrastructure and telecommunications equipment at the Site; and
 - (b). any other person accessing the Site under the Operator's instructions or on its behalf does not cause any damage, theft or other loss or cause physical obstruction to Passive Infrastructure and any telecommunications equipment existing at the Site;
- (iii). ensuring compliance with applicable law during the term of the O&M Agreement that are required to be complied with in relation to the activities conducted by the Operator at, or its obligations related to the Sites and which forms part of the Services;
- (iv). ensuring that for disposal of scrap the Operator will follow good industry practices; and
- (v). undertaking site upgradation/ strengthening, as required by the sharer for the minimum guaranteed tenancies, as specified under the relevant Tower Agreements.

Charges: The expenses of the Operator that are covered from the charges paid by the Company include the following, incurred in the first instance by the Operator:

- (i). all costs for managing and providing security of the Sites and Passive Infrastructure installed at such Sites;
- (ii). all third-party costs for maintenance of Passive Infrastructure, that is, costs under annual maintenance contracts;
- (iii). all manpower costs related to the operation and maintenance of Passive Infrastructure including costs for overseeing the provision of Services (including related overheads and corporate support);
- (iv). all costs in relation to obtaining and maintaining the approvals and consents required for providing the Services;
- (v). all costs related to ensuring the safety of Passive Infrastructure and telecommunications equipment at the relevant Site and employees and contractors;
- (vi). all costs associated with outsourcing any Services or components of Services to third-party vendors (including the cost of supervision and management of those vendors);
- (vii). inspection, routine services, repairs, maintenance and replacement of the Passive Infrastructure at the Sites to the extent not covered by insurance;
- (viii). all costs associated with implementing any necessary changes to ensure adherence to the anti-bribery and corruption policy ("**ABC Policy**") and the health, safety and environment related policies and action plan ("**HSE Policy**"); and
- (ix). any other costs required to be incurred for the provision of Services, unless expressly provided or excluded in the O&M Agreement.

The following are not included as part of such charges and their treatment is provided below:

- (i). Capital expenditure for Tower upgradation for sharer: The fee payable by the Company to the Operator shall include capital expenditure incurred by the Operator for Tower strengthening and upgradation to provide over and above the minimum guaranteed tenancies, subject the terms specified in the O&M Agreement.
- (ii). Energy costs: The costs and expenses incurred by the Operator relating to power and fuel shall be paid on a monthly basis in terms of the O&M Agreement. Further, for the diesel to be consumed for RJIL's use, RJIL may either supply it to the Operator at its own costs and expenses or pay the Operator applicable power and fuel costs for procuring such diesel. sharers shall pay for the energy costs as per the fixed energy model specified in the O&M Agreement.

The Company shall not have any obligation to make any payment to the Operator under the O&M Agreement in respect of any Site for any period unless it has actually received the payment from RJIL for the relevant Site and the relevant period under the Master Services Agreement.

Operating Procedures: The Operator is required to ensure that the Services are provided:

- (i). in accordance with good industry practice;

- (ii). in compliance with applicable law;
- (iii). in accordance with the terms of the contract relating to the underlying land of the Site; and
- (iv). in accordance with service orders.

Further, the Operator is required to, amongst others:

- (i). establish processes and procedures to monitor its performance against certain operation and maintenance service levels and is required to report such information to the Company and JIMSL on a monthly basis in writing;
- (ii). ensure that the installation, maintenance or replacement of any Passive Infrastructure and telecommunications equipment on each Site will be in accordance with applicable law including any regulations, guidelines, standards or policies of any governmental authority;
- (iii). maintain and store an inventory of critical spares relating to the Passive Infrastructure, in accordance with good industry practice, and shall regularly report the same to the Company;
- (iv). provide generator energy (wherever available), including procurement, storage, transmission, transportation, security, inventory management, administration and allocation services;
- (v). shall not disclose or share such information used or generated to any person other than Company without obtaining the prior written consent of the Company;
- (vi). shall maintain the sharer service level agreements in respect of the Passive Infrastructure and Services provided to any sharer; and
- (vii). not to discriminate in provision of services to tenants.

Approvals:

The Operator shall be responsible for applying, obtaining, maintaining (including making payments of any fees in relation thereto) all necessary and requisite permits as required under applicable law, (a) on behalf of the Company (where the same is permitted under applicable law and subject to the provisions of the O&M Agreement), including without limitation municipal and local bodies approvals, electricity board approvals and pollution control board approval, as may be required for the continued use of Passive Infrastructure by the Company, and (b) (i) to enable the Operator to perform the Services in accordance with the terms thereof; and (ii) for the Company to meet its statutory and legal obligations, in each case to the extent permitted under applicable law.

Anti-bribery and Corruption: The Operator shall in relation to the O&M Agreement (i) maintain its books and records in a manner that, in reasonable detail, accurately and fairly reflect its transactions and disposition of its assets; and (ii) maintain a system of internal accounting controls sufficient to provide, amongst others, reasonable assurances that transactions are executed and access to assets is given in accordance with agreed operating procedures and are recorded as necessary to permit preparation of periodic financial statements and to maintain accountability of corporate assets.

The Operator shall confirm, in writing, on a semi-annual basis that it has complied with its undertakings under the O&M Agreement and with the ABC Policy, and provide, on an annual basis, any information reasonably requested by Company in support of such compliance.

Health, Safety and Environment: The Operator shall at all times ensure that it operates in full compliance with the HSE Policy, and all statutory and legislated safety requirements required to be complied with as per applicable law.

Sub-contracting: The Operator is permitted to engage sub-contractors in relation to all or part of the Services.

Responsibilities of Company and Project Manager:

- (i). **Information:** Upon written request from the Operator, the Company and JIMSL are required to, subject to the availability of such information, in a reasonably timely manner, provide the Operator with relevant and accurate requisite information in order to enable the Operator to provide the Services;

- (ii). Site access: The Company and JIMSL are required to ensure that the Operator has access to the sites on a '24X7' basis for the purposes of and to enable the Operator perform its Services and provide all necessary support in this regard subject to the terms of the lease arrangements and applicable law.
- (iii). Cooperation and assistance: The Company and JIMSL are required to cooperate with the Operator and provide all necessary support and assistance as may be reasonably required by the Operator for the provision of Services.
- (iv). Policies: The Company and JIMSL are required to provide all support and assistance to the Operator in implementing policies under the O&M Agreement.
- (v). Insurance: The Company is required to obtain and maintain adequate insurance cover for the Passive Infrastructure and related assets at the Sites at the cost of the Operator.

Term and Termination: The O&M Agreement will be effective from the Tower Agreements Closing Date, and will remain valid for a period of 30 years thereafter.

The O&M Agreement may only be terminated by the Company for the reasons set out below:

- (i). repudiation of the O&M Agreement by the Operator;
- (ii). any wilful default, gross misconduct, gross negligence or fraud by the Operator in the performance of its obligations under the O&M Agreement taken as a whole and materially and adversely impacts the business of the Company;
- (iii). occurrence of a major escalation occurrence detailed in the O&M Agreement other than for deficiencies relating to service level agreements if not resolved after due escalation; or
- (iv). commencement of voluntary liquidation of the Operator. The O&M Agreement may be terminated by the Operator in case of commencement of voluntary liquidation of the Company.

Project Execution Agreement

The Company, JIMSL, RJIL and RPPMSL (the "**Contractor**") have entered into the Project Execution Agreement, dated December 16, 2019, together with the amendment to the Project Execution Agreement dated August 26, 2020, which came into effect on the August 31, 2020.

Works: Under the Project Execution Agreement, the Contractor has been appointed to perform work for establishment of Passive Infrastructure and related procurement, erection, installation, establishment, inspection, and testing work (the "**Work**"), at various Sites.

License: The Company shall grant the Contractor, a license for access to, and use of, all Sites (other than the completed sites) where the Work is being undertaken in manner specified in the Project Execution Agreement (the "**License**"). Such License will be for the period specified under Project Execution Agreement.

Fees:

The Company is required to pay fees to the Contractor in the manner specified under the Project Execution Agreement.

Contractor's Responsibilities: The Contractor has, amongst others, the following responsibilities:

- (i). The Contractor shall:
 - (a) execute its responsibilities under the Project Execution Agreement in accordance with good industry practice, applicable laws, the service orders and the Project Execution Agreement, and any instructions of the Company in accordance with the scope of work, in terms of the Project Execution Agreement.
 - (b) deploy manpower and staff as may be required for performance of Work and may at its option sub-contract any of the Work to be performed by it. The Contractor shall be responsible for payment of compensation to its sub-contractors and in no event shall the Company or JIMSL be construed to have employed any such subcontractors' employees, personnel or contractors or be responsible or liable in this regard. With respect to all matters relating to labour and personnel, the Contractor shall comply with all applicable law, ensure the creation of a safe working environment and endeavor to reduce workplace adverse incidents;

- (c) warrant that all its employees and sub-contractors will be competent to undertake the tasks required to perform the Work and its employees shall be adequately trained including on compliance with health, safety, and environment requirements (including HSE Policy), the ABC Policy and anti-corruption laws;
- (d) be responsible for security at and for the Sites including any Passive Infrastructure thereat until the handover of the Site to the Operator in terms of the Project Execution Agreement; and
- (e) be responsible for clearing the sites of any wreckage, debris, surplus material, etc., and shall leave the Site in a clean and safe manner prior to handover of the Site to the Operator.

Anti-bribery and Corruption: The Contractor shall in relation to the Project Execution Agreement (i) maintain its books and records in a manner that, in reasonable detail, accurately and fairly reflect its transactions and disposition of its assets; and (ii) maintain a system of internal accounting controls sufficient to provide, amongst others, reasonable assurances that transactions are executed and access to assets is given in accordance with agreed operating procedures and are recorded as necessary to permit preparation of periodic financial statements and to maintain accountability of corporate assets.

The Contractor shall confirm in writing on a semi-annual basis that it has complied with its undertakings under the Project Execution Agreement and with the ABC Policy, and provide, on an annual basis, any information reasonably requested by the Company in support of such compliance.

Health, Safety and Environment: The Contractor shall at all times ensure that it operates in full compliance with the HSE Policy, and all statutory and legislated safety requirements required to be complied with as per applicable law.

Responsibilities of JIMSL and the Company

JIMSL and the Company shall:

- (i). provide to the Contractor, such of its information, documents, data, drawings and clarifications as may be reasonably required or requested for by the Contractor to enable it to perform the Work, provided that the Company and JIMSL are not prohibited from providing such information, documents, data, drawing and clarifications to the Contractor under applicable law or under of their respective contractual obligations.
- (ii). provide all reasonable support to and co-operate with the Contractor to enable it to perform the Work and other activities, as prescribed under the Project Execution Agreement;
- (iii). in respect of third-party contracts entered into by the Company and approvals obtained by the Company, keep the Contractor informed of all communications which is relevant for the Contractor to discharge its obligations under the Project Execution Agreement; and
- (iv). if in relation to the Work, a claim is made against the Contractor by any third party, the Company and JIMSL shall provide the Contractor all reasonable assistance as may be required in this regard.

Insurance: Each party will obtain and maintain adequate insurance cover for all its assets to be used under or in connection with the Project Execution Agreement and in respect of its liabilities in connection thereto. The Contractor shall take out adequate insurance, including but not limited to the insurance requirements provided in the Project Execution Agreement, at its cost, including third party insurance, for the Passive Infrastructure which shall be in the name of the Company

Term and Termination: The Project Execution Agreement will come into effect from the Tower Agreements Closing Date and will remain valid until the expiry of 30 years from the Tower Agreements Closing Date (the “**Term**”).

The Project Execution Agreement may be terminated by the Company during the Term for the reasons set out below:

- (i). termination of the O&M Agreement; and
- (ii). commencement of voluntary liquidation of the Contractor.

The Project Execution Agreement may be terminated by the Contractor in the event of the commencement of voluntary liquidation of the Company.

Transition Services Agreement

The Company and RPPMSL (“**Reliance**”) have entered into the Transition Services Agreement dated August 26, 2020. The Transition Services Agreement came into effect from the August 31, 2020.

Transition Services:

Under the Transition Services Agreement, Reliance has agreed to perform services in relation to, amongst others, direct and indirect taxes, accounting, legal and secretarial functions and information technology, for the Company and services in relation to accounting and direct and indirect taxes for the Trust (“**Transition Services**” and each being a “**Service Element**”).

Reliance has agreed to perform the Transition Services on and from the SPA Closing Date with reasonable skill and care and consistent with the standard to which they were performed and/or undertaken by Company and the Trust (as applicable) in the ordinary course of business prior to the SPA Closing Date. Reliance is required to perform the Transition Services in a manner: (i) in keeping with the good practices for the industry in which the Tower Infrastructure Business operates; and (ii) which is compliant with applicable law and as specified in the Transition Services Agreement. Reliance must use the number of personnel as maybe determined by Reliance to provide the said Transition Services to the standard with which they were performed and the personnel deployed by Reliance must endeavour to perform the Transition Services within the timelines stipulated in the Transition Services Agreement.

The Company may also, from time to time request Reliance to provide services other than those specifically referred to in the Transition Services Agreement in order to continue to operate the Tower Infrastructure Business in the manner in which it was operated immediately prior to the SPA Closing Date. Reliance shall provide such additional services on such terms and conditions and fees as may be mutually agreed in writing. Any additional services so agreed upon by the parties to the Transition Services Agreement shall be deemed to be part of the Transition Services and the provisions of the Transition Services Agreement shall apply mutatis mutandis to the provision of any specifically requested services.

Term:

The Transition Services Agreement shall be effective until August 31, 2022 (“**Term**”). The Company and Reliance may mutually agree to extend the Term of Transition Services Agreement.

Migration Notice:

During the Term, upon receipt of a written migration notice from Company (a “**Migration Notice**”), Company and Reliance shall reasonably cooperate and assist each other to allow the full transition of any identified Transition Service from Reliance or its affiliates or third party contractors to Company, or the termination of any Service Element from the Transition Services. Within 30 business days of a Migration Notice, the parties shall, where required, jointly prepare a plan of the processes and costs and expenses to be incurred by Reliance associated with transitioning or terminating such Service Element and implement such plan. The Service Element shall be fully transitioned to Company, within the time period agreed in such plan.

Fees:

The Company shall pay such consideration to Reliance, as set out in the Transition Services Agreement, or any other amount as may be mutually agreed between the parties (“**Fees**”). The Fees shall be payable in equal monthly instalments, pursuant to Reliance issuing an invoice to the Company on or before the seventh day of each month. The Company shall pay amounts under an invoice amounts within fifteen days of the date of such invoice.

Representations and Warranties:

The Company and Reliance have provided certain representations and warranties under the Transition Services Agreement, such as:

- (i). due incorporation and due authorisation for the obligations under the Transition Services Agreement;
- (ii). non-contravention of constitutional documents or applicable law; and
- (iii). representations in relation to solvency and reorganization.

Assignment:

Neither party shall be entitled to assign its rights, benefits, privileges, liabilities or obligations under Transition Services Agreement without the prior written consent of the other party, except as collateral security in order to obtain financing in relation to debt facilities availed by such party. Reliance shall be entitled to assign its obligations and rights under the Transition Services Agreement to a direct or indirect subsidiary of RIL to whom it sells or transfers its business of providing Transition Services, without the prior written approval of the Company

Termination:

The Transition Services Agreement may be terminated prior to the completion of the Term, for the reasons indicated below:

- (i). in the event that either party commits a material breach of any of the terms and conditions of the Transition Services Agreement with respect to a Transition Service and does not cure the said breach within 30 business days of receipt of notice of such breach, or such other longer period as the non-defaulting party may deem fit, the non-defaulting party may terminate the Transition Services Agreement with respect to such Transition Service, immediately;
- (ii). in the event of commencement of voluntary liquidation of any party, the other party may terminate the Transition Services Agreement by giving 30 days' written notice to the party undertaking liquidation;
- (iii). the Company may terminate the Transition Services Agreement or a Service Element at any time by giving a prior written notice of 30 days to Reliance;
- (iv). Reliance may terminate the Transition Services Agreement or a Service Element in the event of Company's delay in payment of an invoice beyond 30 days from the receipt of notice from Reliance notifying the Company of its default in payment; and
- (v). the Company shall be entitled to terminate a Service Element by issuing a Migration Notice.

TERMS AND CONDITIONS OF THE NOTES

The following, subject to modification and other than the paragraphs in italics, is the text of the terms and conditions of the Notes which will appear on the reverse of the definitive certificates evidencing the Notes:

The issue of the US\$500,000,000 2.875% senior secured notes due 2031 (the “**Notes**”) of Summit Digital Infrastructure Private Limited (the “**Issuer**”) was authorized by a resolution of the Issuer’s Board of Directors passed on July 30, 2021. The Notes are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) to be dated August 12, 2021 (the “**Closing Date**”) between the Issuer and Citicorp International Limited (the “**Trustee**” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Notes. The Notes will have the benefit of the security over the Collateral (as defined in Condition 3) to be granted by the Issuer pursuant to the Deed of Hypothecation to be executed within 90 Business Days of the Closing Date. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the form of the Notes) and the Security Documents. Copies of the Trust Deed, the Security Documents and the agency agreement dated the Closing Date (as amended and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Notes between the Issuer, the Trustee and the initial principal paying agent, registrar, transfer agent and paying agents named in it, are available for inspection between 9:30 a.m. and 3:30 p.m., Monday to Friday (except public holidays) at the principal place of business of the Trustee (being at the Closing Date at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) and at the specified office of the principal paying agent for the time being (the “**Principal Paying Agent**”) following, in each case, prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent, as applicable.

References to the registrar for the time being (the “**Registrar**”) mean Citicorp International Limited and references to the transfer agent for the time being (the “**Transfer Agent**”) mean Citibank, N.A., London Branch. References to the paying agents (the “**Paying Agents**”) mean the paying agents appointed as such from time to time under the Agency Agreement, and includes the Principal Paying Agent. References to the “**Agents**” mean the Registrar, the Transfer Agent and the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Security Documents and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

Capitalised terms that are not defined in these Conditions have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

1.1 Form and Denomination

The Notes are issued in registered form in the denomination of US\$200,000 and integral multiples of US\$1,000 in excess thereof (referred to as the “**principal amount**” of each Note). A note certificate (each, a “**Certificate**”) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar (the “**Register**”), and, save as provided in Condition 2.1, each Certificate shall represent the entire holding of Notes by the same holder.

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or the theft or loss of the Certificate issued in respect of it) (other than a duly executed transfer thereof in the form endorsed thereon), and no person will be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” mean the person in whose name a Note is registered.

Upon issue, the Notes offered outside the U.S. in reliance on Regulation S of the Securities Act will be represented by one or more Regulation S Global Certificates registered in the name of a nominee for, and deposited with, a custodian for, DTC for the accounts of Euroclear and Clearstream and the Notes offered within the U.S. to qualified institutional buyers in compliance with the exemption from registration provided by Rule 144A of the Securities Act will be represented by one or more Rule 144A Global Certificates registered in the name of a nominee for, and deposited with a custodian for, DTC.

The Conditions are modified by certain provisions contained in the Regulation S Global Certificates and the Rule 144A Global Certificates. See “Global Certificates”.

2 Transfers of Notes

2.1 Transfer

Subject to Condition 2.4 and Condition 2.5, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or the Transfer Agent.

Transfers of interests in the Notes evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems. For a description of certain restrictions on transfers of interests in the Notes, see “Subscription and Sale” and “Transfer Restrictions”.

2.2 Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2.1 shall, within seven business days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the new Certificate to the address specified in the form of transfer unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance it may specify. In this Condition 2.2, “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar (as the case may be).

Except in the limited circumstances described in the Global Certificates, owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within seven business days of receipt by the Registrar or the Transfer Agent of the original Certificate, be mailed by uninsured mail (at the cost of the Issuer) at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon (i) payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer or any Agent may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the Person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning the transfer of the Notes have been complied with.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium or interest on that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6.2 or Condition 6.4, or (iii) after any such Note has been called for redemption.

2.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Issuer and the Trustee. A copy of the current regulations will be made available for inspection between 9:30 a.m. and 3:30 p.m., Monday to Friday (except public holidays) at the principal place of business of the Registrar to any Noteholder following written request therefor and proof of holding and identity satisfactory to the Registrar.

3 Status

The Notes constitute unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Security

Collateral

The Issuer's payment obligations under the Notes and the performance of its other obligations under the Notes and the Trust Deed will be secured, within 90 Business Days of the Closing Date, by a first ranking *pari passu* charge on the following (the "**Collateral**"):

- (a) all rights, title, interest and benefit in, all and singular the entire movable fixed assets of the Issuer (both present and future), including, but not limited to, the movable fixed assets relating to the Project and passive infrastructure / towers whether embedded in the earth or not;
- (b) all rights, title, interest, benefits, claims and demands whatsoever of the Issuer in its entire current assets, both present and future, including, but not limited to, stock of consumable stores and spares, investments, receivables, book debts, advances, cash-in-hand, operating cash flows, revenues of whatsoever nature and wherever arising in connection with the business of the Issuer whether presently in existence or acquired hereafter;
- (c) all of the Issuer's rights, title, benefits, claims, demands and interests whatsoever in, to, under and in respect of each of the Material Documents; and
- (d) all of the Issuer's rights, title and interest, property, claims, demands and benefit whatsoever in nature (both present and future) in the Receivables.

If such charge on any such asset is released pursuant to Condition 4.1, such asset shall no longer constitute "Collateral" (unless and until such charge is thereafter recreated on such asset pursuant to Condition 4.1).

The Issuer has executed a security trustee appointment agreement dated as of the Closing Date appointing Axis Trustee Services Limited as the security trustee (the "**Security Trustee**") for the benefit of the Noteholders and the Trustee.

For the purposes of these Conditions:

"**JIMSL**" means Jio Infrastructure Management Services Limited, a company incorporated under the laws of India.

"**Master Services Agreement**" means the amended and restated master services agreement dated 16 December 2019 entered into between RJIL, the Issuer and RPPMSL, read together with the amendment agreement dated 26 August 2020, as may be further amended from time to time.

"**Material Documents**" means the Master Services Agreement, the Operation and Maintenance Agreement and the Project Execution Agreement.

"**Operation and Maintenance Agreement**" means the amended and restated operation and maintenance agreement for passive infrastructure dated 16 December 2019 entered into between JIMSL, the Issuer and RPPMSL, as amended on 11 March 2021, and as may be further amended from time to time.

"**Project**" means the setting up, operation and management of the passive tower infrastructure under the Material Documents, and the provision of services under the Master Services Agreement.

"**Project Execution Agreement**" means the amended and restated project execution agreement dated 16 December 2019 entered into between JIMSL, the Issuer, RJIL and RPPMSL, for the establishment of passive tower infrastructure, read together with the amendment agreement dated 26 August 2020, as amended from time to time.

"**Receivables**" means all monies received or to be received by the Issuer under the Master Services Agreement.

"**RJIL**" means Reliance Jio Infocomm Limited, a company incorporated under the laws of India.

"**RPPMSL**" means Reliance Projects & Property Management Services Limited, a company incorporated under the laws of India.

Account Bank Agreement

The Issuer has entered into an account bank agreement dated 3 March 2021 (the “**Account Bank Agreement**”) with certain of its lenders as named therein, RJIL, State Bank of India (as an account bank), HDFC Bank Limited (as an account bank), Axis Trustee Services Limited (as the security trustee acting for such lenders) and Axis Trustee Services Limited (as the debenture trustee acting for the benefit of the holders of the debentures issued by the Issuer), to appoint the account banks and provide for the terms and conditions of operation of the designated accounts mentioned therein.

Under the terms of the Account Bank Agreement, the Receivables are required to be deposited by the Issuer in the designated accounts held with State Bank of India and HDFC Bank Limited in equal proportions.

Withdrawals from the designated accounts are permitted for the following purposes and in the following order of priority:

- (a) first, towards statutory payments and taxes;
- (b) second, towards operation and maintenance expenses, including but not limited to expenditure on manpower, repairs, spares, consumables, insurance, corporate rental payments, administrative expenses and other expenses;
- (c) third, towards fees due to the secured parties (mentioned therein) and any taxes payable thereon;
- (d) fourth, towards interest/coupon payments in respect of each of the facilities and debentures and payment of interest in respect of working capital debt to the extent permitted under respective debt documents, charges in relation to the letter of credit, bank guarantee, and any other charges in relation to the facilities/debentures;
- (e) fifth, towards the scheduled principal repayment/amortization of the facilities, redemption of the debentures, and repayment of working capital debt to the extent permitted under the debt documents; and
- (f) last, the balance amount, if any, shall be transferred to an account of the Issuer as may be intimated by the Issuer to the account banks.

The Account Bank Agreement also provides that on the occurrence and continuation of an event of default, the relevant lender or the debenture trustee (as the case may be) will have the right to issue a notice to the account banks requesting them not to act on the Issuer’s instructions relating to withdrawal of funds, and that any withdrawal of funds from the designated accounts shall only be made upon joint instructions from the security trustee and the debenture trustee. If any such notice is issued by any lender or the debenture trustee, then the amounts deposited in the accounts shall be drawn only upon the joint written instructions of the authorised representative of the security trustee and the debenture trustee in the proportion set out under such instructions. No other withdrawal from the designated accounts is permitted unless the relevant amounts have been paid to each secured creditor; however, any statutory and regulatory payments and the payments mentioned under paragraph (b) above required to be paid by the Issuer from the designated accounts can be processed by the account banks upon receiving instructions in this regard from the lenders and the debenture trustee.

Within 90 Business Days of the Closing Date, the Account Bank Agreement shall be amended to permit the Security Trustee to accede to it, and the Security Trustee shall so accede within such 90 Business Day period. On acceding to the Account Bank Agreement, all rights and remedies available to lenders or debenture trustees under the Account Bank Agreement shall also be available to the Security Trustee, and payments in relation to the Notes will be made in the order of priority of withdrawals from the designated accounts mentioned above.

Pari Passu Agreement

The security over the Collateral created for the benefit of the Noteholders shall be shared on a pari passu basis with the other creditors of the Issuer (including the hedging counterparties under the hedging arrangements executed by the Issuer in relation to the Notes).

To acknowledge the sharing of security on a pari passu basis, the Issuer has entered into a pari passu agreement dated 3 March 2021 (the “**Pari Passu Agreement**”) with certain of its lenders as mentioned therein, Axis Trustee Services Limited (as the security trustee acting for the benefit of such lenders) and Axis Trustee Services Limited (as the debenture trustee acting for the benefit of the holders of the debentures issued by the Issuer).

Under the terms of the Pari Passu Agreement, the parties have agreed that security created over the Collateral shall at all times be a first ranking pari passu security interest inter-se the secured creditors, and that all money received from the enforcement or realization of such security shall be utilised for making payment on a pari passu basis amongst the secured creditors in the same proportion as their respective outstanding amounts under the debt secured by such assets.

Within 90 Business Days of the Closing Date, the Pari Passu Agreement shall be amended to permit the Security Trustee to accede to it, and the Security Trustee shall so accede within such 90 Business Day period.

Subordination of Parent Loan

The Parent has provided an undertaking (which has been executed by its trustee, Axis Trustee Services Limited) dated the Closing Date (the “**Parent Undertaking**”) under which the Parent has agreed, among other things, that (i) the Parent Loan and any other debt extended by the Parent to the Issuer in the future (together, the “**Parent Indebtedness**”) is and shall remain subordinated to the Notes, (ii) the interest payment on the Parent Indebtedness shall not be paid upon occurrence of any Event of Default, which is continuing, (iii) the principal amount of the Parent Indebtedness shall not be repaid upon occurrence of any Event of Default, which is continuing, (iv) the Parent shall not have the right to accelerate repayment or to declare a default, an event of default or a prepayment event under a Parent Indebtedness pursuant to an event of default while the Notes are outstanding, and (v) the principal amount of and the interest on the Parent Indebtedness shall be paid only if the Issuer has cash surplus subject to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (calculated post deducting, among other things, payment towards scheduled external debt obligations of the Issuer).

The terms of the Parent Loan also state that all outstanding amounts under the Parent Loan and all other obligations and liabilities of the Issuer under the loan agreement in relation to the Parent Loan shall constitute subordinated obligations.

“**Parent Loan**” means the loan availed by the Issuer from the Parent for an aggregate amount of Rs. 250,000,000,000 pursuant to a term loan agreement dated 26 August 2020.

Release of security over the Collateral

Upon written confirmation from the Trustee of the purchase and cancellation, or redemption in accordance with these Conditions, of all of the outstanding Notes and payment of all other amounts then due under any Security Document, or otherwise in accordance with Condition 4.1, the security over the Collateral shall be released in accordance with the terms of the Deed of Hypothecation.

Enforcement of security over the Collateral

Subject to the provisions of the Security Documents and the Trust Deed, the security over the Collateral shall become enforceable: (a) upon notice being given by the Trustee to the Issuer and the Security Trustee that the Notes are due and payable pursuant to Condition 13; (b) if the Issuer shall have failed to make payment of any amount due in respect of the redemption of any Notes when due and payable pursuant to these Conditions; or (c) in the circumstances specified in the relevant Security Documents.

If the security over the Collateral becomes enforceable, the Trustee may at its discretion and without further notice or formality and shall, if so requested in writing by Noteholders holding at least 25% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) direct the Security Trustee to enforce all or any of the security over the Collateral, subject as provided below.

The Security Trustee may at its discretion appoint a receiver and/or take possession of and/or realise all or any part of the Collateral and/or take action or proceedings against any person liable in respect of all or any part of the Collateral and/or any rights in relation to the Security Documents and take any step, action or proceedings provided for in or pursuant, and/or subject to, the Security Documents and applicable laws (including the ECB Guidelines and FEMA), but without any liability to any person as to the consequences of such step, action or proceedings and without having regard to the effect of such action or proceedings on the Issuer or individual Noteholders, and provided that the Security Trustee shall not be required to take any action, step or proceedings that would involve any personal liability or exposure without first being indemnified and/or secured and/or prefunded to its satisfaction.

Following any realisation of the security over the Collateral, the Security Trustee and Trustee will procure that the proceeds are applied pursuant to the Pari Passu Agreement and the Trust Deed, respectively.

4 Covenants

4.1 Liens

The Issuer will not, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than certain Permitted Liens); *provided* that the Issuer may incur, assume or permit to exist Liens on the Collateral to secure Permitted Indebtedness (as defined below) if no Default has occurred and is continuing or would occur as a result thereof.

The Liens on the Collateral securing the Notes may, in the sole discretion of the Issuer, be released (1) if (i) the ratio of (x) Secured Indebtedness to (y) Total Indebtedness is less than 0.33 to 1.0, (ii) the Liens on the Collateral securing all Relevant Indebtedness (if any) are concurrently released, (iii) no Default has occurred and is continuing or would occur as a result thereof and (iv) the Issuer has obtained an affirmation from each Rating Agency (then rating the Notes) that, after giving effect to the release of the Liens on the Collateral, either (x) the Notes will maintain Investment Grade Status from such Rating Agency or (y) the rating of the Notes by such Rating Agency shall not be withdrawn or decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) (such conditions, the “**Security Fallaway Conditions**”) or (2) on the full and final payment and performance of the obligations of the Issuer under the Trust Deed and the Notes; *provided, however*, that, if on any date after any such release under clause (1), the ratio of (x) Secured Indebtedness to (y) Total Indebtedness equals or exceeds 0.33 to 1.0, the Issuer shall create and perfect the Liens on the Collateral in favour of the Security Trustee within 90 Business Days from such date to secure the Issuer’s obligations under the Notes and the Trust Deed. The Security Trustee will take all necessary action as reasonably requested by the Issuer to effectuate any release of the Liens on the Collateral in accordance with the provisions of the Trust Deed and the Security Documents, and any such release shall be effected by the Security Trustee without the consent of the Noteholders or any action on the part of the Trustee. The Issuer shall promptly notify the Noteholders, the Trustee and the Security Trustee of any release and of any creation and perfection of Liens on the Collateral. Prior to any such release of the Liens on the Collateral, the Issuer will provide an Officer’s Certificate to the Trustee and the Security Trustee confirming that the conditions in the first sentence of this paragraph have been met, including, in the case of clause (1), stating the ratio of (x) Secured Indebtedness to (y) Total Indebtedness and showing in reasonable detail the calculation thereof.

The Issuer will not incur, assume or permit to exist any Lien (other than Permitted Liens) on existing or future assets (other than Collateral), unless the Notes are equally and ratably secured.

“**Relevant Indebtedness**” means any present or future Indebtedness of the Issuer or any other Person in the form of, or represented by, bonds, notes, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and which are denominated, payable or optionally payable in a currency other than Indian Rupees or are denominated in Indian Rupees and more than 50% of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Issuer.

“**Secured Indebtedness**” means, as of the date of determination, Indebtedness of the Issuer secured by the Collateral, other than (i) the Notes and (ii) any other Indebtedness of the Issuer that provides for the Liens on the Collateral securing such other Indebtedness to be released upon the Security Fallaway Conditions being satisfied.

“**Total Indebtedness**” means, as of the date of determination, the Indebtedness of the Issuer.

4.2 Indebtedness

The Issuer will not, directly or indirectly, Incur any Indebtedness, except the following (“**Permitted Indebtedness**”):

(i) Indebtedness (other than Hedging Obligations) in an aggregate amount not exceeding Rs. 300,080 million outstanding at any time; *provided* that the Issuer owns up to 174,451 towers that are subject to the provisions of the Master Services Agreement, and Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any such Indebtedness;

(ii) Indebtedness (other than Hedging Obligations) Incurred to finance all or any part of the purchase price or cost of the design, construction, installation or improvement of towers that are in addition to

174,451 towers that are subject to the provisions of any master services agreement entered into by the Issuer from time to time, and Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any such Indebtedness; and

(iii) Hedging Obligations entered into for the purpose of protecting the Issuer from fluctuations in interest rates, currencies or commodity prices in the ordinary course of business and not for speculation;

provided, in each case, that such Incurrence is permitted by applicable law.

For purposes of determining compliance with clause (i) of the preceding paragraph, the Indian rupee-equivalent principal amount of Indebtedness denominated in another currency shall be utilised, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, and the maximum amount of Indebtedness that the Issuer may Incur pursuant to such clause shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates.

Under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations 2014, the aggregate consolidated borrowings and deferred payments of the Parent and its Subsidiaries (including the Issuer) net of cash and cash equivalents cannot exceed 70% of the value of the assets of the Parent.

The Issuer will not, directly or indirectly, incur indebtedness from any of its Affiliates unless such indebtedness is Subordinated Affiliate Indebtedness.

The Issuer will not amend or waive (or permit the amendment or waiver of) any provision or term of any Subordinated Affiliate Indebtedness (including the Parent Loan) or the Parent Undertaking in a manner that is adverse to the Issuer, the Trustee or any Noteholder.

“Subordinated Affiliate Indebtedness” means any indebtedness incurred by the Issuer and owed to any of its Affiliates which, by its terms or by the terms of any agreement or instrument pursuant to which such indebtedness is issued or remains outstanding, provides that:

(i) such indebtedness is and shall remain subordinated to the Notes until the date on which the Notes and all other amounts due under the Trust Deed have been irrevocably and unconditionally paid and discharged in full;

(ii) the interest payment terms of such indebtedness shall be subject to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, and the right of such Affiliate to receive interest shall be subject to the following conditions: (a) no Default or Event of Default has occurred and is continuing; and (b) there is no limitation on such interest payment under applicable law;

(iii) upon the occurrence and during the continuance of any Event of Default, the principal amount (or any other form of cash flow other than interest) on such indebtedness shall not be paid or repaid until the date on which the Notes and all other amounts due under the Trust Deed have been irrevocably and unconditionally paid and discharged in full;

(iv) such Affiliate shall not have any right to declare a default, an event of default or a prepayment event (by whatever name called) against the Issuer or otherwise accelerate repayment of any of amounts due from the Issuer thereunder pursuant to an event of default while the Notes are outstanding;

(v) the principal amount of, and the interest on, the Subordinated Affiliate Indebtedness shall be paid only if the Issuer has cash surplus subject to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (calculated in accordance with the terms of such Subordinated Affiliate Indebtedness and post deducting, among other things, payment towards scheduled external debt obligations of the Issuer);

(vi) such indebtedness is not transferable and such Affiliate shall not sell, assign, transfer, encumber or otherwise dispose of all or part of its interest in such indebtedness to any person until the date on which the Notes and all other amounts due under the Trust Deed have been irrevocably and unconditionally paid and discharged in full;

(vii) the Issuer shall not amend (or permit the amendment of) the terms of such indebtedness in a manner adverse to the Issuer, the Trustee or any Noteholder; and

(viii) such Affiliate shall not, and shall not be entitled to, have any claim to any assets of the Issuer on parity with or prior to the claims of the Noteholders and the Trustee until the date on which the Notes

and all other amounts due under the Trust Deed have been irrevocably and unconditionally paid and discharged in full.

Upon any event or circumstance that results in such indebtedness ceasing to qualify as Subordinated Affiliate Indebtedness, such indebtedness shall constitute an Incurrence of Indebtedness by the Issuer.

4.3 Merger, Consolidation or Sale of Assets

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Issuer and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

- (1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation incorporated under the laws of India, Mauritius, the Netherlands, the Cayman Islands, the British Virgin Islands, Hong Kong, Singapore, Canada, the United Kingdom, any member state of the European Union, Switzerland, the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Trust Deed and the Security Documents pursuant to agreements satisfactory to the Trustee;
- (3) immediately after giving effect to such transaction, no Default or Event of Default exists; and
- (4) no Rating Downgrade (if the Notes are rated at such time) would result therefrom.

In addition, the Issuer will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, except in the ordinary course of the Issuer's business.

4.4 Permitted Businesses

The Issuer will not engage in any business other than Permitted Businesses.

4.5 Amendments to Material Documents

The Issuer will (i) not amend, vary, repudiate, assign or transfer any Material Document, except to the extent that such amendment, variation, repudiation, assignment or transfer would not reasonably be expected to have a Material Adverse Effect; (ii) use reasonable endeavors to ensure that the Material Documents remain valid and enforceable and that it is not unlawful for the Issuer to perform its obligations thereunder; and (iii) comply with and not take or fail to take any action under any Material Document, except to the extent that such non-compliance, act or failure to act would not reasonably be expected to have a Material Adverse Effect.

4.6 Provision of Financial Information

The Issuer will deliver to the Trustee and furnish to the Noteholders upon request:

- (i) as soon as they are available, but in any event within 180 days after the end of each Fiscal Year of the Issuer, beginning with the first Fiscal Year ending after the Closing Date, copies of its financial statements (on a consolidated basis) in respect of such Fiscal Year (including a statement of income, balance sheet and cash flow statement) audited by the Issuer's auditors; and
- (ii) as soon as they are available, but in any event within 90 days after the end of the first semi-annual period of each Fiscal Year of the Issuer, beginning with the first semi-annual period ending after the Closing Date, copies of its financial statements (on a consolidated basis) in respect of such semi-annual period (including a statement of income, balance sheet and cash flow statement) audited or limited reviewed by the Issuer's auditors.

4.7 Definitions

For the purposes of these Conditions:

- (i) "Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under direct or indirect common control with, such Person or who is a director or officer of such Person or any Subsidiary of such Person. For purposes of this

definition, “**control**” (including, with correlative meanings, the terms “**controlling**”, “**controlled by**” and “**under common control with**”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of share capital, the possession of voting rights, contract or otherwise;

- (ii) “**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Mumbai.
- (iii) “**Deed of Hypothecation**” means the deed of hypothecation between the Issuer and the Security Trustee for creation security of over the Collateral for securing the Notes (as amended and/or supplemented from time to time);
- (iv) “**Default**” means any event that is, or after notice or passage of time or both would be, an Event of Default;
- (v) “**Equity Interests**” means capital stock and all warrants, options or other rights to acquire capital stock (but excluding any debt security that is convertible into, or exchangeable for, capital stock);
- (vi) “**Equity Offering**” means a public sale either (1) of Equity Interests of the Issuer by the Issuer (other than to a Subsidiary of the Issuer) or (2) of Equity Interests of a direct or indirect parent entity of the Issuer (other than to the Issuer or a Subsidiary of the Issuer) to the extent that the net proceeds therefrom are contributed to the common equity capital of the Issuer.
- (vii) “**Fair Market Value**” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Issuer (unless otherwise provided in the Trust Deed);
- (viii) “**Fiscal Year**” refers to the year ended on March 31;
- (ix) “**Fitch**” means Fitch Inc., a subsidiary of Fimalac, S.A.;
- (x) “**Hedging Obligations**” means, with respect to any specified Person, the obligations of such Person under:
 - (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
 - (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
 - (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices;
- (xi) “**Incur**” means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness. The term “**Incurred**” has a correlative meaning with the foregoing;
- (xii) “**Ind AS**” means Indian Accounting Standards as in effect from time to time;
- (xiii) “**Indebtedness**” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:
 - (1) in respect of borrowed money;
 - (2) evidenced by or issued in exchange for bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
 - (3) in respect of banker’s acceptances;
 - (4) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or
 - (5) representing any Hedging Obligations,
 if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in

accordance with Ind-AS, but excluding Subordinated Affiliate Indebtedness. In addition, the term “Indebtedness” includes (i) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), *provided* that the amount of such Indebtedness will be the lesser of (x) the Fair Market Value of such asset at such date of determination and (y) the amount of such Indebtedness and (ii), to the extent not otherwise included, any guarantee by the specified Person of any Indebtedness of any other Person.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with Ind AS;

(2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest;

(3) the amount of Indebtedness with respect to any Hedging Obligation will be equal to the net amount payable if the hedging agreement giving rise to such Hedging Obligation terminated at that time due to default by such Person; and

(4) without duplication for clause (3) above, the amount of any Indebtedness for which there is a related hedging agreement at any time shall be calculated after giving effect to such hedging agreement.

- (xiv) **“Investment Grade Status”** in respect of any corporate credit rating assigned to the Notes by Fitch, S&P or Moody’s means: (a) “BBB-” or higher by Fitch; (b) “BBB-” or higher by S&P; or (c) “Baa3” or higher by Moody’s;
- (xv) **“Lien”** means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction;
- (xvi) **“Material Adverse Effect”** means:
 - (a) a material adverse impact of the business, financial condition or results of operations of the Issuer;
 - (b) a material adverse effect on the ability of the Issuer to perform its obligations under the Notes, the Trust Deed, the Agency Agreement and the Security Documents; or
 - (c) an adverse impact on the legality, validity, binding nature or enforceability of the Notes, the Trust Deed, the Agency Agreement or the Security Documents;
- (xvii) **“Moody’s”** means Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation;
- (xviii) **“Officer’s Certificate”** means a certificate signed by an executive officer or a director of the Issuer who is also an authorized signatory of the Issuer;
- (xix) **“Permitted Businesses”** means any business engaged in by the Issuer on the Closing Date and any other business that is related, complementary, incidental or ancillary thereto, including businesses in the fields of passive telecommunications infrastructure, media, telecommunications and businesses ancillary thereto;
- (xx) **“Permitted Liens”** means:
 - (1) Liens existing on the Closing Date;
 - (2) Liens on the Collateral securing the Notes;
 - (3) Liens in favour of the Issuer;

- (4) Liens on property existing at the time of acquisition of the property by the Issuer; provided that such Liens were in existence prior to such acquisition and not incurred in contemplation of, such acquisition;
 - (5) Liens to secure the performance of statutory obligations, insurance, surety or appeal bonds, workers compensation obligations, performance bonds or other obligations of a like nature incurred in the ordinary course of business;
 - (6) Liens to secure Indebtedness Incurred under clause (i) of the first paragraph of Condition 4.2;
 - (7) Liens to secure Indebtedness Incurred under clause (ii) of the first paragraph of Condition 4.2 covering only the assets acquired with or financed by such Indebtedness;
 - (8) Liens to secure Hedging Obligations Incurred under clause (iii) of the first paragraph of Condition 4.2;
 - (9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with Ind AS has been made therefor;
 - (10) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;
 - (11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer;
 - (12) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
 - (13) bankers' Liens, rights of setoff, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
 - (14) Liens on cash, cash equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
 - (15) Liens on specific items of inventory or other goods (and the proceeds thereof) of the Issuer securing the Issuer's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of the Issuer to facilitate the purchase, shipment or storage of such inventory or other goods;
 - (16) grants of software and other technology licenses in the ordinary course of business; and
 - (17) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business.
- (xxi) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity);
 - (xxii) "**Rating Agency**" means any of S&P, Moody's or Fitch, and any of their successors, as applicable;
 - (xxiii) "**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.;
 - (xxiv) "**Security Documents**" means:
 - a. the Deed of Hypothecation;
 - b. the power of attorney executed by the Issuer pursuant to the Deed of Hypothecation;
 - c. the security trustee appointment agreement executed between the Issuer and the Security Trustee;

- d. the Parent Undertaking;
 - e. the Pari Passu Agreement (as amended from time to time);
 - f. the Account Bank Agreement (as amended from time to time);
 - g. the deed of accession to the Pari Passu Agreement, executed by the Security Trustee; and
 - h. The deed of accession to the Account Bank Agreement executed by the Security Trustee;
- (xxv) “**Stated Maturity**” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date it was first Incurred in compliance with these Conditions, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof; and
- (xxvi) “**Subsidiary**” means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company, or which under Indian law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of the relevant company.

4.8 Trustee not obliged to monitor

The Trustee shall not be under any duty to monitor (and will not be responsible or liable for any loss arising from it not doing so) whether the Issuer has complied with the provisions of this Condition 4, and unless it has received express notice in writing from the Issuer in accordance with the Trust Deed to the contrary, the Trustee may assume that the Issuer has complied with all of the provisions mentioned above. The Trustee may rely conclusively on each Officer’s Certificate and shall not be responsible or liable to any Noteholder, the Issuer or any other person for the contents of any Officer’s Certificate, nor shall it be responsible or liable for acting (or refraining from acting) on or in reliance on any Officer’s Certificate.

5 Interest

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of 2.875% per annum, payable semi-annually in arrear on February 12 and August 12 in each year (each, an “**Interest Payment Date**”). The first payment (for the period from and including the Closing Date to but excluding February 12, 2022) will be made on February 12, 2022.

If any Interest Payment Date falls on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding business day.

In this Condition 5, “**business day**” means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in Hong Kong, London, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

5.2 Interest Accrual

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of:

- (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and
- (b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

5.3 Calculation of Broken Interest

If interest is required to be calculated for a period of less than six months, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

6 Redemption and Purchase

6.1 Final Redemption

Unless previously redeemed, or purchased and canceled, the Notes will be redeemed at their principal amount together with accrued but unpaid interest (if any) in accordance with Condition 5 on August 12, 2031 (the “**Maturity Date**”). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

6.2 Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, or in part, at any time, on giving not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 16 and to the Trustee and each Paying Agent in writing (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (*provided* that changing the jurisdiction of the Issuer is not a reasonable measure for purposes of this Condition 6.2), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee a certificate in English signed by two Directors of the Issuer, each of whom is also an authorized signatory of the Issuer, stating that it is obliged to pay Additional Tax Amounts in accordance with Condition 8 and that such obligation cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate (without further investigation or enquiry) as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6.2, in which event it shall be conclusive and binding on the Noteholders.

6.3 Change of Control Put Option

Upon the occurrence of a Change of Control Triggering Event (as defined in this Condition 6.3), each Noteholder shall have the right to require that the Issuer redeem such Noteholder’s Notes at a redemption price of 101% of their principal amount (together with interest accrued to (but excluding) the applicable date fixed for redemption).

The Trustee shall not be required to take any steps to monitor or ascertain whether a Change of Control, a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control or Change of Control Triggering Event has occurred and will not be responsible to any Noteholder or any other Person for any loss arising from any failure by it to do so.

Not later than seven days after becoming aware of any Change of Control Triggering Event, the Issuer will give notice to the Noteholders in accordance with Condition 16 and to the Trustee and each Paying Agent in writing (the “**Change of Control Offer**”) stating:

- (i) that a Change of Control Triggering Event has occurred and that each Noteholder has the right to require the Issuer to redeem such Noteholder’s Notes at a redemption price of 101% of their principal amount (together with interest accrued to (but excluding) the applicable date fixed for redemption);
- (ii) the circumstances and relevant facts regarding such Change of Control;
- (iii) the redemption date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is given); and

- (iv) the instructions, as determined by the Issuer, consistent with this Condition 6.3, that a Noteholder must follow in order to have its Notes purchased.

In this Condition 6.3:

“Change of Control” means any of the following:

- (i) the Sponsor ceasing to hold a majority of the voting power of the capital stock of, and to control, the investment manager of the Parent;
- (ii) the Parent ceasing to be the beneficial owner, directly or indirectly, of more than 50% of the outstanding equity shares of the Issuer;
- (iii) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties and assets of the Issuer and its Subsidiaries taken as a whole to any Person (including any “person” (as that term is used in Section 13(d)(3) of the Exchange Act)) other than the Sponsor; or
- (iv) the adoption of a plan relating to liquidation or dissolution of the Issuer;

“Change of Control Triggering Event” means the occurrence of a Change of Control and, if the Notes are rated, a Rating Downgrade;

“Parent” means Tower Infrastructure Trust;

“Rating Category” means: (i) with respect to S&P, any of the following categories: “BB”, “B”, “CCC”, “CC”, “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba”, “B”, “Caa”, “Ca”, “C” and “D” (or equivalent successor categories); (iii) with respect to Fitch, any of the following categories: “BB”, “B”, “CCC”, “CC”, “C”, and “D” (or equivalent successor categories); and (iv) the equivalent of any such category of S&P, Moody’s and Fitch used by another Rating Agency. In determining whether the rating of the Issuer has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P and Fitch; “1”, “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P and Fitch, a decline in a rating from “BB+” to “BB”, as well as from “BB-” to “B+” will constitute a decrease of one gradation);

“Rating Date” means the date that is 30 days prior to the earlier of (i) a Change of Control, (ii) the initial public notice of the occurrence of a Change of Control by the Issuer, and (iii) the date that the acquirer or prospective acquirer (a) has entered into one or more binding agreements with the Issuer and/or shareholders of the Issuer that would give rise to a Change of Control or (b) has commenced an offer to acquire outstanding capital stock of the Issuer;

“Rating Downgrade” means the occurrence on, or within 60 days after, the earlier of (i) the date a Change of Control occurs, or (ii) public notice of the occurrence of (a) a Change of Control or (b) the intention by the Issuer or any other person or persons to effect a Change of Control (which period shall be extended so long as the corporate credit rating of the Issuer is under publicly announced consideration for possible change by any of the Rating Agencies due to such Change of Control), of any of the events listed below:

- (1) if the Notes are rated by three Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Notes by any two Rating Agencies shall be withdrawn or downgraded to below Investment Grade Status;
- (2) if the Notes are rated by one or two Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Notes by any such Rating Agency shall be withdrawn or downgraded to below Investment Grade Status; or
- (3) if the Notes are not rated Investment Grade Status by any Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency shall be withdrawn or decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories);

provided that such withdrawal, downgrade or decrease is in connection with any of the actions or circumstances contemplated under the definition of Change of Control; and

“Sponsor” means BIF IV Jarvis India Pte Ltd or any other Person, in each case, as long as it or such other Person is controlled by Brookfield Asset Management Inc.

6.4 Redemptions at the Option of the Issuer

At any time prior to August 12, 2030, the Issuer may, on any one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes issued on the Closing Date, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 102.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the applicable date of redemption (subject to the rights of holders of Notes on the relevant Record Date to receive interest on the relevant Interest Payment Date), in an amount not to exceed the net proceeds from an Equity Offering by the Issuer or a contribution to the Issuer's common equity capital made with the net cash proceeds of a concurrent Equity Offering by the Parent; *provided that*:

- (1) at least 60% of the aggregate principal amount of Notes issued on the Closing Date (excluding Notes held by the Parent and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

At any time, the Issuer may, on any one or more occasions, redeem all or a part of the Notes, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the applicable date of redemption (subject to the rights of holders of Notes on the relevant Record Date to receive interest due on the relevant Interest Payment Date); *provided that* no Applicable Premium will be payable if the Notes are redeemed on or after August 12, 2030 (being the date that is 12 months prior to the Maturity Date).

"Applicable Premium" means, with respect to any Note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of the Note; and
- (2) the excess of:
 - (a) the present value at such redemption date of (i) the principal amount of the Note plus (ii) all required interest payments due on the Note through August 12, 2030 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over
 - (b) the principal amount of the Note.

"Treasury Rate" means, as of any redemption date, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such Notes are satisfied and discharged, of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 that has become publicly available at least two business days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to August 12, 2030; *provided that* if the period from the redemption date to August 12, 2030 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Issuer.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption under this Condition 6.4 or related notice of redemption may, at the discretion of the Issuer, be subject to the satisfaction of one or more conditions precedent. If any such redemption or notice is subject to the satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time as such conditions are satisfied, or such redemption may not occur and such notice may be rescinded if such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

6.5 Purchase

The Issuer and its Subsidiaries may at any time (if permitted under applicable laws) purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for various purposes, including, without limitation, for the purpose of calculating quorums at meetings of the Noteholders and for the purposes of Condition 12.1.

6.6 Cancellation

All Certificates representing Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Notes shall be canceled forthwith.

Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.7 Selection and Notice for Partial Redemptions

If less than all of the Notes are to be redeemed at any time, Notes will be redeemed on a pro rata basis unless otherwise required by law or applicable clearing system or stock exchange requirements. No Notes of US\$200,000 or less can be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed.

Redemption of Notes prior to the Maturity Date may require the Issuer to obtain the prior approval of the Reserve Bank of India or the designated authorised dealer bank, as the case may be, in accordance with the ECB Guidelines and FEMA.

7 Payments

7.1 Method of Payment

7.1.1 Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the Transfer Agent or the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) by transfer to the registered account of the Noteholder.

7.1.2 Interest on each Note shall be paid to the person shown on the Register at the close of business 15 days before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made in U.S. dollars by credit or transfer to the registered account of the holder (or to the first named of joint holders) of such Note appearing in the Register.

7.1.3 For the purposes of this Condition 7.1, a Noteholder’s “**registered account**” means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the Payment Business Day before the due date for payment.

7.1.4 If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

7.2 Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.3 Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of the Transfer Agent or the Registrar, on a Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

7.4 Appointment of Agents

The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer or, as the case may be, the Trustee, and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent or any other Paying Agent and to appoint additional or other Paying Agents, Registrars and Transfer Agents, subject to the terms of the Agency Agreement, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar with a specified office outside the United Kingdom, (iii) a Transfer Agent, and (iv) such other

agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved in writing by the Trustee.

Principal Paying Agent and Transfer Agent

Citibank, N.A., London Branch
c/o
1 North Wall Quay
Dublin 1
Ireland
Fax : +353 1 662 2212/2210
Attention: Agency and Trust

Registrar

Citicorp International Limited
10/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Fax no. +852 2621 3185
Attn: Regional A&T Ops

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if a Global Certificate is exchanged for definitive Certificates, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, if a Global Certificate is exchanged for definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the Singapore agent.

7.5 Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Payment Business Day, or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a transfer is made in accordance with this Condition 7 it arrives after the due date for payment.

7.6 Payment Business Days

In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business and settlement of U.S. dollar payments in New York City and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of India or any authority therein or thereof having power to tax (each, a “**Tax Jurisdiction**”), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required by a Tax Jurisdiction, except that no Additional Tax Amounts shall be payable in respect of any Note:

- 8.1 **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the relevant Tax Jurisdiction, other than the mere holding of the Note;

- 8.2 **Failure to provide certification:** to the extent a holder is liable for such taxes, duties, assessments or governmental charges because of the holder's failure to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with a relevant Tax Jurisdiction if (i) compliance is required by applicable law (but not including treaties), regulation or administrative practice as a precondition to exemption from all or a part of such taxes, duties, assessments or governmental charges, (ii) the holder is able to comply with those requirements without undue hardship and (iii) the Issuer has given to the holder prior written notice, at a time which would enable the holder acting reasonably to comply with such request, before any such withholding or deduction that the holder will be required to comply with such certification, identification or reporting requirements; or
- 8.3 **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Notwithstanding the foregoing, no Additional Tax Amounts shall be payable for or on account of (i) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge, (ii) any taxes, duties, assessments or governmental charges that are imposed otherwise than by deduction or withholding from payments made under or with respect to the Notes, (iii) any taxes, duties, assessments or governmental charges that are imposed on or with respect to any payment on a Note to a holder who is a fiduciary, partnership, limited liability company, or person other than the Beneficial Owner of such payment to the extent that the Beneficial Owner with respect to such payment (or portion thereof) would not have been entitled to the Additional Tax Amounts had the payment (or the relevant portion thereof) been made directly to such Beneficial Owner and (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA. As used in clause (iii) above in this paragraph, "**Beneficial Owner**" means the person whom is required by the laws of the relevant Tax Jurisdiction to include the payment in income for tax purposes.

9 Events of Default

If any of the following events (each, an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25% in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and the Security Trustee that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- 9.1 **Non-Payment:** the Issuer fails to pay the principal of, or premium (if any) or interest on, any of the Notes when due unless (i) such failure to pay is caused by administrative or technical error; and (ii) payment is made within seven days of its due date in the case of principal and within 14 days of its due date in the case of interest;
- 9.2 **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Notes, the Trust Deed or the Security Documents which default has a Material Adverse Effect and is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee;
- 9.3 **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised (other than Subordinated Affiliate Indebtedness) (a) becomes due and

payable prior to its Stated Maturity by reason of any event of default, or (b) is not paid when due or, as the case may be, within any originally applicable grace period or (ii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9.3 have occurred equals or exceeds US\$100 million or its equivalent;

- 9.4 **Enforcement Proceedings:** a distress, attachment or execution is levied, enforced or sued out on or against the Issuer and is not discharged or stayed within 60 days;
- 9.5 **Security Enforced:** any Lien, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and such step is not stayed within 60 days;
- 9.6 **Insolvency:** the Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
- 9.7 **Winding-up:** an order is made and is not discharged or stayed within 60 days or an effective resolution is passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders;
- 9.8 **Nationalisation:** the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer;
- 9.9 **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed;
- 9.10 **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 9.6, 9.7 or 9.8;
- 9.11 **Collateral:** any default by the Issuer in the performance of any of its obligations under the Security Documents which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects in a material manner the condition or value of the Collateral, taken as a whole; or
- 9.12 **Security Documents:** the Issuer fails to execute any Security Document within the agreed time period or the Issuer denies or disaffirms its obligations under any Security Document or any Security Document ceases to be or is not in full force and effect or the Security Trustee ceases to have a valid and perfected first priority security interest in the Collateral (subject to any Permitted Lien).

10 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within seven years (in the case of principal and premium, if any) or five years (in the case of interest) from the appropriate Relevant Date in respect of them. Neither the Trustee nor any of the Agents shall be responsible for any amounts so prescribed.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or the Transfer Agent as may from time to time be designated by the Registrar for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Registrar or the Transfer Agent may in their discretion require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Noteholders, Modification, Waiver and Substitution

12.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement or the Security Documents. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if it is requested in writing by Noteholders holding not less than 25% in aggregate principal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. A meeting that has been validly convened may be cancelled by the person who convened the meeting by giving at least five days' notice (exclusive of the day on which the notice is given and the day of the meeting) to the Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing at least 66⅔% in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of any premium payable on redemption of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, (iv) to modify or discharge any Lien (other than any modification described in Condition 12.2) or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 66⅔%, or at any adjourned meeting not less than 33⅓%, in aggregate principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted on such resolution).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90% in aggregate principal amount of the Notes outstanding, and who are for the time being entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

For so long as the Notes are in the form of one or more Global Certificates, if the terms of a resolution proposed by the Issuer or the Trustee have been notified to the Noteholders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90% in nominal amount of the Notes outstanding ("Electronic Consent"). An Electronic Consent shall take effect as an Extraordinary Resolution. An Electronic Consent will be binding on all Noteholders, whether or not they participated in such Electronic Consent.

12.2 Modification of the Trust Deed

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Security Documents that, in the Trustee's opinion, and in the case of the Security Documents, in the Security Trustee's opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorization of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Security Documents that is in the opinion of the Trustee, and in the case of the Security Documents, in the Security Trustee's opinion, not materially prejudicial to the interests of the Noteholders. Any such modification, authorization or waiver shall be binding on the Noteholders and, unless the Trustee otherwise agrees, such modification shall be notified by the Issuer to the Noteholders as soon as practicable.

12.3 Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the

Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities or discretions for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require on behalf of any Noteholder, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, except to the extent provided for in Condition 8 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

13 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Security Documents and the Notes, and direct the Security Trustee to take steps to enforce the Collateral, but it need not take any such steps and/or actions and/or institute any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25% in aggregate principal amount of the Notes outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

In addition, at any time after the Notes become due and payable, the Trustee may, and shall upon request of holders of at least 25% in aggregate principal amount of outstanding Notes, subject to receiving indemnity and/or security and/or pre-funding to its satisfaction, (i) foreclose on the Collateral in accordance with the terms of the Security Documents, (ii) give the Security Trustee a written notice thereof and/or (iii) instruct the Security Trustee in accordance with the terms of the Security Documents to foreclose on the Collateral in accordance with the terms of the Security Documents and take such further action on behalf of the holders of the Notes with respect to the Collateral as the Trustee deems appropriate.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or any other Person on any report, confirmation or certificate from or any advice or opinion of any accountants, legal advisers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any

other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, advice or opinion and in such event, such report, confirmation, certificate, advice or opinion shall be binding on the Issuer and the Noteholders. The Trustee shall not be responsible or liable for any loss occasioned by acting on or refraining from acting on or in reliance on any such report, confirmation, certificate, advice or opinion.

Neither the Trustee nor any of the Agents shall be under any obligation to monitor or ascertain whether any Event of Default has occurred or monitor compliance by the Issuer with the provisions of the Trust Deed, the Agency Agreement, the Security Documents or these Conditions and shall not be liable to any Person for any loss arising from any breach by that party or any such event.

Repatriation of proceeds outside India by the Issuer under an indemnity clause requires the prior approval of the RBI, which may not be forthcoming, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series

with the outstanding Notes; *provided* that the Issuer may not consolidate such further securities as a single series with the outstanding Notes unless such securities are fungible with the outstanding Notes for U.S. federal income tax purposes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and consolidated and forming a single series with the Notes. Any further securities consolidated and forming a single series with the outstanding Notes constituted by the Trust Deed or any deed supplemental to it may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in Asia (which is expected to be the *Straits Times*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe or Asia selected by the Issuer. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

For an explanation regarding notices while the Notes are represented by Global Certificates, see “Summary of Provisions Relating to the Notes While in Global Form.”

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but it does not affect any right or remedy of any person which exists or is available apart from that Act and is without prejudice to the rights of the Noteholders as set out in Condition 13.

18 Governing Law and Jurisdiction

18.1 Governing Law

The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Security Documents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Indian law.

18.2 Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes and, accordingly, any legal action or proceedings arising out of or in connection with any Notes (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts.

18.3 Agent for Service of Process

The Issuer has irrevocably appointed in the Trust Deed an agent in England to receive service of process in any Proceedings in England based on any of the Notes.

GLOBAL CERTIFICATES

Each Global Certificate contains provisions which apply to the Notes in respect of which it is issued while they are represented by the relevant Global Certificate, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of those provisions. Unless otherwise defined, terms defined in the Conditions have the same meaning below.

Form of the Notes

The Notes sold in offshore transactions in reliance on Regulation S (the “**Regulation S Notes**”) will be represented by one or more global Regulation S certificates in fully registered form (the “**Regulation S Global Certificates**”). The Regulation S Global Certificates will be deposited with a custodian for and will be registered in the name of a nominee for DTC. Beneficial interests in the Regulation S Global Certificates may be held only through DTC and its direct or indirect participants including Euroclear and Clearstream at any time. See “*Clearance and Settlement — Payments and Relationship of Participants with Clearing Systems*”. The Notes sold within the United States to QIBs in reliance on Rule 144A (the “**Rule 144A Notes**”) will be represented by one or more global Rule 144A certificates in fully registered form (the “**Rule 144A Global Certificates**”), which will be deposited with a custodian for, and will be registered in the name of a nominee for, DTC. Beneficial interests in the Rule 144A Global Certificates may only be held through DTC and its direct or indirect participants including Euroclear and Clearstream at any time. See “*Clearance and Settlement — Payments and Relationship of Participants with Clearing Systems*”. Subject to certain exceptions, beneficial interests in the Rule 144A Global Certificates may only be held by persons who are QIBs, holding their interests for their own account or for the account of one or more QIBs. By acquisition of a beneficial interest in the Rule 144A Global Certificates, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Certificates. See “*Transfer Restrictions*”.

The Regulation S Global Certificates and the Rule 144A Global Certificates are referred to herein as the “**Global Certificates**”. Beneficial interests in the Global Certificates will be subject to certain restrictions on transfer set out therein and in the Agency Agreement and the Regulation S Global Certificates and the Rule 144A Global Certificates will each bear a legend as set out under “*Transfer Restrictions*”. Investors may hold interests in the Regulation S Global Certificates through Euroclear or Clearstream, if they are participants in those systems. Investors may also hold such interests through organizations other than Euroclear and Clearstream that are participants in the DTC system. Euroclear and Clearstream will hold interests in the Regulation S Global Certificates on behalf of their account holders through customers’ securities accounts in their respective names on the books of their respective depositories, which in turn will hold such interests in the Regulation S Global Certificates in customers’ securities accounts in the depositories’ names on the books of DTC. Investors may hold their interests in the Rule 144A Global Certificates directly through DTC, if they are DTC participants, or indirectly through organizations which are DTC participants.

No beneficial interest in the Regulation S Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Certificate unless (i) the transfer is to a person that is a QIB, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor provides the Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transferor reasonably believes that the transferee is a QIB purchasing the beneficial interest for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any state of the United States. No beneficial interest in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Certificates unless (a) the transfer is in an offshore transaction in reliance on Rule 904 of Regulation S, and (b) the transferor provides the Registrar with a written certification substantially in the form set out in the Agency Agreement to the effect that the transfer is being made in an offshore transaction in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Certificates that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Certificates will, upon transfer, cease to be an interest in the Regulation S Global Certificates and become an interest in the Rule 144A Global Certificates, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Rule 144A Global Certificates for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Certificates that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificates will, upon transfer, cease to be an interest in the Rule 144A Global

Certificates and become an interest in the Regulation S Global Certificates and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Certificates for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt of the Global Certificates, DTC or the custodian will credit, on its internal system, the respective face amount of the individual beneficial interests represented by each such Global Certificate to the accounts of persons who have accounts with DTC. Ownership of beneficial interests in a Global Certificates will be limited to persons who have accounts with DTC or persons who hold interests through participants, including Euroclear and Clearstream. Ownership of beneficial interests in the Global Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

Holders

For all purposes, each person who is for the time being shown in the records of DTC (or any Alternative Clearing System (as defined below)) as the holder of a particular principal amount of Notes in respect of which the Global Certificates have been issued (in which regard any certificate or other document issued by DTC or any Alternative Clearing System as to the principal amount of Notes represented by Global Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be recognized as the holder of such principal amounts of Notes (and the expressions “**Noteholders**”, “**holding of the Notes**” and “**holders of the Notes**” shall be construed accordingly).

Cancellation

Cancellation of any Note represented by a Global Certificate will be effected by reduction in the aggregate face amount of the Notes in the Register and by annotation of the appropriate schedule to that Global Certificate.

Payments

Payments of any amounts payable in respect of the Notes represented by a Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Notes, against presentation and surrender of the relevant Global Certificate to or to the order of the Principal Paying Agent or to the order of such other Paying Agent as shall have been notified to the holders of Notes for such purpose.

Each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except December 25 and January 1 and any day on which banks are required or permitted to be closed in the city of New York.

Redemption at the Option of the Issuer

The options provided for in Conditions 6.2 and 6.4 shall be exercised by the Issuer giving notice to the holders of the Notes and the Trustee and the Paying Agents within the time limits set out in and containing the information required by Conditions 6.2 and 6.4.

In the case of a partial redemption of Notes represented by the Global Certificates under Condition 6.2 or Condition 6.4, such Notes will be redeemed on a pro rata basis, unless otherwise required by law or applicable clearing system or stock exchange requirements.

Noteholders’ Put Option

The Noteholders’ put option provided for in Condition 6.3 may be exercised by the holder of the relevant Global Certificate giving notice of the principal amount of Notes in respect of which the put option is exercised in accordance with Condition 6.3.

Notices

So long as the Notes are represented by Global Certificates and the Global Certificates are held on behalf of DTC or any Alternative Clearing System, notices to holders of the Notes may be given by delivery of the relevant notice to DTC or such Alternative Clearing System for communication to entitled account holders in substitution for notification as required by the Conditions except that, so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which such notice is delivered to the relevant clearing systems.

Meetings

The registered holder of the Global Certificates will be treated as being two persons for the purposes of any quorum requirements of a meeting of holders of the Notes and, at any such meeting, as having one vote in respect of each U.S.\$1,000 in principal amount of Notes for which the Global Certificates are issued.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of DTC (or any Alternative Clearing System) and their respective direct and indirect participants in accordance with the rules and procedures of DTC (or any Alternative Clearing System) and their respective direct and indirect participants.

Exchange for Definitive Certificates

Exchange

Registration of title to Notes initially represented by the Rule 144A Global Certificates in a name other than DTC or its nominee will not be permitted in respect of the Notes unless DTC or any additional or alternative clearing system approved by the Issuer and notified to the Trustee and the Principal Paying Agent and, as applicable, the Registrar (an “**Alternative Clearing System**”) on behalf of which the Notes evidenced by the Rule 144A Global Certificates may be held, notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Notes, or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Registration of title to Notes initially represented by the Regulation S Global Certificates in a name other than DTC will not be permitted in respect of the Notes unless DTC (or any Alternative Clearing System on behalf of which the Notes evidenced by the Regulation S Global Certificates may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Notes, or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, in the case of an Alternative Clearing System, such system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so).

Delivery

If any of the events described in the above two paragraphs under the caption “Exchange” of this section occurs, the relevant Global Certificate shall be exchangeable in full for definitive Certificates in registered form and the Issuer will, at its own expense, cause sufficient definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders following surrender of such Global Certificate. A person having an interest in the Rule 144A Global Certificates or the Regulation S Global Certificates must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such definitive Certificates and (b) in the case of the Rule 144A Global Certificates only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions.

Definitive Notes issued in exchange for a beneficial interest in the Rule 144A Global Certificates shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*”.

The Registrar will not register the transfer of, or exchange of interests in, the Rule 144A Global Certificates or the Regulation S Global Certificates for definitive Certificates for a period of 15 calendar days ending on the date for any payment of principal in respect of the Notes.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposition of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this Offering Memorandum does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of Notes.

Indian Taxation

The following summary describes certain Indian tax consequences applicable to the ownership and disposal of Notes by persons who are not resident for tax purposes in India and who do not hold the Notes in connection with an Indian trade, business or permanent establishment. All rates mentioned are exclusive of applicable surcharge, health, and education cess.

The summary is based on existing Indian taxation law and practice in force at the date of this Offering Memorandum and is subject to change, possibly with retroactive effect. It is not intended to constitute legal or tax advice and is not intended to represent a complete analysis of all the Indian tax consequences under Indian law relating to the acquisition, ownership or disposal of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Prospective investors should consult their own tax advisers about the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction of purchasing, holding and disposing of an investment in the Notes. This summary is based on Indian tax law and practice as at the date of this Offering Memorandum.

Payments through India

Any payments our Company makes on the Notes, including additional amounts made through India would be subject to the regulations of the RBI.

Taxation of interest

If the proceeds of the Notes are used for the purposes of the business of our Company in India, non-resident investors will be liable to pay tax on the interest paid on the Notes. Non-resident investors must pay tax on the interest at the rate of 5.0% under Section 115A(1)(a) read with Section 194LC as applicable, of the Income-tax Act, 1961 (the “**IT Act**”) on interest paid or payable on the Notes, subject to and in accordance with the conditions of Section 194LC of the IT Act read with CBDT Circular no. 15/2014 dated October 17, 2014. If the said conditions are not satisfied, tax would be levied at the rate of 20%.

Section 194LC of IT Act, has been amended by Finance Act, 2020 so as to (a) extend the period of rate of withholding tax of 5.0% on the interest payments against borrowing by way of issue of long-term bonds including infrastructure bonds from July 1, 2020 to June 30, 2023 (and which will include Notes); and (b) reduce the withholding tax to 4.0% for interest payable to a non-resident on issue of any long term bonds or Rupee denominated bonds issued on or after April 1, 2020 but before July 1, 2023, which are listed only on a recognized stock exchange located in any International Financial Services Centre. These changes have taken effect from April 1, 2020.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a “**Tax Treaty**”) and the provisions of such treaty read with Multilateral Instruments (“**MLI**”), if and to the extent applicable, which provide for the taxation in India of income by way of interest income at a rate lower than that stated above, are fulfilled. The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in section titled “Withholding Tax” below.

A non-resident investor is obligated to pay such income tax in an amount equal to, or is entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes from India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act. The non-resident Noteholders shall be obliged to provide all necessary information and documents, as may be required by our Company.

Withholding taxes on interest

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax on such interest on Notes. Under Section 194LC of the IT Act tax would be required to be withheld at the applicable rate i.e. at 5.0%, subject to satisfaction of conditions specified in Section 194LC of the IT Act read with CBDT Circular no. 15/2014 dated October 17, 2014. If such conditions are not satisfied tax would be required to be withheld at the rate of 20.0%. These rates would be subject to any lower rate of tax provided by an applicable Tax Treaty read with MLI, if and to the extent applicable.

Pursuant to the terms and conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case pursuant to Condition 8 our Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

In respect of interest income on long term bonds issued to non-residents, pursuant to section 206AA of the IT Act, the payee is not required to provide its permanent account number to the payer. Hence, the Noteholders being non-residents are not required to provide their permanent account number.

Taxation of gains arising on disposal of the Notes

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as our Company is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note: (i) a non-resident investor, who has held the Notes for a period of more than 36 months immediately preceding the date of their dispositions, would be liable to pay capital gains tax at a rate of 10.0% of the capital gains subject to and in accordance with the provisions of the IT Act or 20% in case where the Notes do not qualify as a security for the purposes of the IT Act. These rates are subject to any benefit provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable; (ii) a non-resident investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at a rate of 40.0% in case of foreign companies and 30% in all other cases of investors on capital gains earned by them from the sale of such capital assets. These rates are subject to any benefit provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable; and (iii) any income arising to a non-resident investor from a disposition of the Notes held as stock-in-trade would be considered as business income and would be subject to income tax in India to the extent it is attributable to a “business connection in India” or, where a Tax Treaty applies, to a “permanent establishment” in India of the non-resident investor. A non-resident would be liable to pay Indian tax on such income so attributable at a rate of up to 40.0% of income as profits and gains of business or profession, depending on the legal status of the non-resident investor and his taxable income in India, subject to any benefit provided for by a Tax Treaty read with MLI, if and to the extent applicable.

Withholding tax on gains arising on disposal of the Notes

If applicable under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10.0% or 20.0% and short-term capital gains at 30.0% or 40.0%, depending on the legal status of the recipient of income, subject to any benefit provided for by a Tax Treaty read with MLI, if and to the extent applicable. Tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, the non-resident Noteholders may be obliged to provide all prescribed information/ documents, including tax residency certificate (issued by the tax authorities of the country in which the investor is resident) for claiming the Tax Treaty benefits. Potential investors should, in any event, consult their own tax advisers on the tax consequences of a transfer of the Notes.

Anti-avoidance Provisions

Under the IT Act there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provisions and General Anti-Avoidance Rules (“GAAR”). Under the transfer pricing provisions, any income arising from an international transaction between two related parties have to be computed having regard to the arm’s length price (“ALP”). In the event that the Notes are transferred by a non-resident investor to another non-resident investor and such non-resident investors are related parties in accordance with the provisions of the IT Act, then the transactions would have to be at ALP and necessary compliances are required to be undertaken by the investors.

Under the GAAR, an arrangement whose main purpose is to obtain tax benefits, may be declared as an “impermissible avoidance arrangement”, subject to certain other conditions. According to Section 96(1) of the IT Act “impermissible avoidance arrangement” means an arrangement of which the main purpose is to obtain a tax benefit, and which, inter alia, creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length. The Income Tax Act, 1961 provides that if the main purpose of any part or step of the arrangement is to obtain tax benefit, the entire arrangement shall be presumed to have been entered into with the purpose of obtaining a tax benefit, unless it is proved to the contrary by the assessee.

If GAAR provisions are invoked, it could result in significant implications for the parties to the transaction including inter alia, disregarding, combining or re-characterization of any step in or part or whole of the impermissible avoidance arrangement, denial of any tax benefit claimed by the taxpayer, or denial of benefit claimed by the non-resident under a Tax Treaty.

Wealth Tax

No wealth tax is payable in relation to the Notes.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate tax rates applicable.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable at present in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable stamp act of the Indian state(s) into which the Notes are brought and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority (“IRAS”) of Singapore and

the MAS in force as at the date of this Offering Circular, and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements below do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them or any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is
 - (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or
 - (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

In addition, as more than half of the Joint Lead Managers for the issue of the Notes are Financial Sector Incentive (Capital Market) Companies, Financial Sector Incentive (Standard Tier) Companies or Financial Sector Incentive (Bond Market) Companies (each as defined in the Income Tax Act) and the Notes are issued during the

period from 1 January 2014 to 31 December 2023, such Notes (the “**Relevant Notes**”) would be “qualifying debt securities” pursuant to the Income Tax Act and the MAS Circular FDD Cir 11/2018 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by the MAS on 31 May 2018 (the “**MAS Circular**”), to which the following treatments shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
 - i. the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and
 - ii. the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of the Relevant Notes, the Relevant Notes of such tranche are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (b) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - i. any related party of the Issuer; or
 - ii. any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the Income Tax Act as follows:

- “**break cost**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- “**prepayment fee**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- “**redemption premium**”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the Income Tax Act, any person whose interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standards 39 (“**FRS 39**”), 109 (“**FRS 109**”) or Singapore Financial Reporting Standards (International) 9 (“**SFRS(I) 9**”) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes”.

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act should consult their own tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Certain U.S. Federal Income Tax Considerations to U.S. Holders

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Notes at the “issue price” (the first price at which a substantial amount of Notes are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad, U.S. holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Payments of Interest

General. Interest on a Note will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder’s method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes constitutes income from sources outside the United States.

Effect of Indian Withholding Taxes As discussed in “Taxation — India”, under current law payments of interest on the Notes to foreign investors may become subject to Indian withholding taxes. The Issuer is liable for the payment of additional amounts to U.S. Holders (see “Terms and Conditions of the Notes — Taxation”) so that U.S. Holders receive the same amounts they would have received had no Indian withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Indian taxes withheld by the Issuer with respect to a Note (as well as the additional amount paid with respect thereto), and as then having paid over the withheld taxes to the Indian taxing authorities. As a result, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder

from the Issuer with respect to the payment. We expect and assume for the purposes of this discussion that the additional amounts payable with respect to withholding tax imposed on interest will remain constant throughout the term of the Notes.

Subject to certain limitations, a U.S. Holder generally will be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Indian income taxes withheld by the Issuer at the rate applicable to such U.S. Holder. Interest generally will constitute “passive category income” for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Indian withholding taxes.

Sale and Retirement of the Notes

A U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the U.S. Holder’s adjusted tax basis of the Note. A U.S. Holder’s adjusted tax basis in a Note generally will be its U.S. dollar cost. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income.

Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Therefore, unless a U.S. Holder has other foreign source income, such U.S. Holder may not be able to utilize foreign tax credits attributable to any Indian withholding tax imposed on the sale or disposition. See “Taxation — India.” Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Notes.

Backup Withholding and Information Reporting

Payments of principal and interest on, and the proceeds of sale or other disposition of Notes, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain “specified foreign financial assets”.

SUBSCRIPTION AND SALE

Each of the Joint Bookrunners has, pursuant to the Subscription Agreement dated August 4, 2021 entered into with our Company (the “**Subscription Agreement**”), severally agreed, subject to the provisions of the Subscription Agreement, to subscribe for, or to procure subscribers for, the respective principal amount of Notes set out opposite its name below:

| <u>Joint Bookrunners</u> | <u>Principal Amount of Notes</u> |
|---|--------------------------------------|
| | (U.S.\$) |
| Barclays Bank PLC, Singapore Branch | 83,334,000 |
| Citigroup Global Markets Singapore Pte. Ltd. | 83,334,000 |
| BNP Paribas | 83,333,000 |
| Deutsche Bank AG, Singapore Branch | 83,333,000 |
| The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch | 83,333,000 |
| Merrill Lynch (Singapore) Pte. Ltd. | 83,333,000 |
| Total | 500,000,000 |

The Joint Bookrunners initially propose to offer the Notes at the issue price listed on the cover page of this Offering Circular. Our Company will be paying a combined management and underwriting commission and selling commission to the Joint Bookrunners and will reimburse the Joint Bookrunners in respect of certain of their expenses. Our Company has also agreed to indemnify the Joint Bookrunners against certain liabilities incurred in connection with the issue and sale of the Notes. The Subscription Agreement provides that the obligations of the Joint Bookrunners are subject to certain conditions precedent and that the agreement may be terminated in certain circumstances prior to payment of the issue price to our Company.

The Joint Bookrunners have severally agreed to take and pay for all of the Notes if a certain portion of the Notes are taken. After the initial offering, the offering price and other selling terms may be varied from time to time by the Joint Bookrunners.

The Joint Bookrunners and some of their respective affiliates have, from time to time, performed, and may in the future perform, certain commercial banking, investment banking and advisory and other banking services for our Company and/or our Company’s affiliates for which they have received or will receive customary fees and expenses.

The Joint Bookrunners and their respective affiliates are full-service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of our Company, including the Notes.

The Joint Bookrunners or their affiliates that have a lending relationship with our Company routinely hedge their credit exposure to our Company consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our Company’s securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of our Company, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Joint Bookrunners and/or their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of our Company or our Company’s affiliates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Each Joint Bookrunner or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisers. While each Joint Bookrunner and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Bookrunner or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Joint Bookrunner may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that this offering be made by a licensed broker or dealer and the Joint Bookrunners or any affiliate of the Joint Bookrunners is a licensed broker or dealer in that jurisdiction, this offering shall be deemed to be made by the Joint Bookrunners or such affiliate on behalf of our Company in such jurisdiction.

We expect that delivery of the Notes will be made against payment therefore on or about the closing date specified on the cover page of this Offering Circular, which will be on or about the fifth business day following the pricing date of the Notes (this settlement cycle being referred to as “**T+5**”). Trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes between the date of pricing and the date that is two business days prior to the Closing Date will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes between the date of pricing and the date that is two business days prior to the Closing Date should consult their own legal advisors.

Neither our Company nor any person acting on its behalf will issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of, any other debt securities of our Company or securities of our Company that are convertible into, or exchangeable for, the Notes or such other debt securities, in any such case without the prior written consent of the Joint Bookrunners from the date of the Subscription Agreement until 30 days after the Closing Date (both dates inclusive).

Selling Restrictions

Singapore

Each Joint Bookrunner has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;

- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (b) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in the United Kingdom. For the purposes of this provision,

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA²”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

United Kingdom

Each Joint Bookrunner has represented, warranted and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Joint Bookrunner has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMPO)”) or which do not constitute an offer to the public within the meaning of the C(WUMPO); and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S. See “Transfer Restrictions” for a description of other restrictions on the transfer of Notes.

The Notes are being offered and sold outside of the United States in offshore transactions in accordance with Regulation S. The Subscription Agreement provides that the Joint Bookrunners may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of the Notes within the United States only to qualified institutional buyers in accordance with Rule 144A.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

As used herein, the term “United States” has the meaning given to it in Regulation S.

India

This offering memorandum has not and will not be registered or produced or made available as an offer document whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of a private placement under the Companies Act or any other applicable Indian laws, with the Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India. The Notes will not be offered or sold, and have not been offered or sold, in India by means of any document and this offering memorandum or any other offering document or material relating to the Notes will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of any Indian laws. This offering memorandum or any material relating to the Notes has not been and will not be circulated or distributed to any prospective investor who is a Restricted Overseas Person, and the Notes will not be offered or sold and have not been offered or sold to any person who is a Restricted Overseas Person.

Canada

Each Joint Bookrunner has acknowledged and agreed that the Notes are not being and will not be registered under the laws of any province or territory of Canada, and that the Offering Memorandum may not be distributed and the Notes may not be offered or sold in Canada or to, or for the benefit of, residents of Canada except to

purchasers which are both an “accredited investor” as defined in National Instrument 45-106 Prospectus and Registration Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and a “permitted client” as defined in National Instrument 31-103 “Registration Requirements, Exemptions and Ongoing Registrant Obligations.” Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Offering Memorandum (including any amendment hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities law, National Instrument 33-105 Underwriting Conflicts (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters. To the extent any conflict of interest between the Issuer and any of the Joint Bookrunners (or any other underwriter acting in connection with this offering) may exist in respect of this offering, the applicable parties to this offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33-105 (Exemption based on U.S. disclosure).

Upon receipt of the Offering Memorandum, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Notes (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- to “qualified institutional buyers” in compliance with Rule 144A, and
- outside the United States in offshore transactions, in reliance upon Regulation S.

Rule 144A Notes

Each purchaser of the Notes within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

- It is (a) a qualified institutional buyer within the meaning of Rule 144A (a “**QIB**”), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- It understands and acknowledges that the Notes are being offered only in a transaction not involving any public offering in the United States, within the meaning of the Securities Act, and that such Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and (a) may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States; (b) the purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of such notes from it of the resale restrictions referred to in above; and (c) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Notes.
- It understands that such Notes, unless otherwise agreed between our Company and the Trustee in accordance with applicable law, will bear a legend to the following effect:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE. THE HOLDER OF THIS NOTE WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.”

- Our Company, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

- It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Certificates. Before any interest in the Rule 144A Global Certificates may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificates, it will be required to provide the Registrar with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
- The Notes will not be offered or sold to any person who is from a Restricted Jurisdiction or is a Restricted Overseas Person.

Where,

“Restricted Jurisdiction” means any jurisdiction: (i) which is not a member of the FATF or a member of a FATF-style regional body; (ii) whose securities market regulator is not a signatory to the International Organization of Securities Commission’s (IOSCO’s) “Multilateral Memorandum of Understanding (Appendix A Signatories)” or a signatory to a bilateral memorandum of understanding with the SEBI for information sharing arrangements; or (iii) which is identified in the public statement of the FATF as: (a) a jurisdiction having strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter-measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; and

“Restricted Overseas Person” means (i) a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organization, trust, trustee, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction, and includes a branch of an entity located in a Restricted Jurisdiction; (ii) any multilateral or regional financial institution in which India is not a member country; and (iii) an individual (a) which is not a foreign equity holder (as defined in the ECB Regulations) or (b) if the Notes cease to be listed on a stock exchange (which is not in India).

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of the Notes outside the United States pursuant to Regulation S, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

- It is, or at the time such Notes are purchased will be, the beneficial owner of such Notes and (a) it is purchasing the Notes in an offshore transaction (within the meaning of Regulation S), (b) it is located outside the United States and will continue to be located outside the United States at the time the buy order is originated and (c) it is not an affiliate of our Company or a person acting on behalf of such an affiliate.
- It understands that such Notes have not been and will not be registered under the Securities Act.
- Our Company, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us.
- It understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Certificates. It understands that such Notes will, unless otherwise agreed between the Company and the Trustee in accordance with applicable law, will bear a legend to the following effect:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.”

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that our Company believes to be reliable, but none of our Company, the Joint Bookrunners and Joint Lead Managers, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or the Security Trustee takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of our Company and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Ownership

The Notes will be evidenced on issue by the Regulation S Global Certificates (registered in the name of a nominee of, and shall be deposited with a custodian for, DTC for the accounts of Euroclear and Clearstream) and the Rule 144A Global Certificates (registered in the name of a nominee of, and shall be deposited with a custodian for, DTC).

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, will make application to DTC for acceptance in its book-entry settlement system of the Notes represented by the Regulation S Global Certificates and the Rule 144A Global Certificates. The Issuer will also make application to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by the Regulation S Global Certificates. The Regulation S Global Certificates and Rule 144A Global Certificates will each have a CUSIP, an ISIN and a Common Code. The Regulation S Global Certificates and the Rule 144A Global Certificates will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificates, as set out under “*Transfer Restrictions*”. In certain circumstances, as described below, transfers of interests in the Rule 144A Global Certificates may be made as a result of which such legend may no longer be required.

Upon the Global Certificates being registered in the name of a nominee of, and deposited with a custodian for, DTC, DTC will electronically record the nominal amount of the Notes held within the DTC system. Investors may hold their beneficial interests in the Global Certificates directly through DTC if they are participants in the DTC system, or indirectly through organizations (including Euroclear and Clearstream) which are participants in such system (together, such direct and indirect participants of DTC are referred to as “**DTC participants**”). All interests in the Global Certificates, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such system.

Payments and Relationship of Participants with Clearing Systems

Payment of the principal of interest and premium, if any, on each Global Certificate requested in the name of DTC’s nominee will be to, or to the order of, its nominee as the registered owner of such Global Certificate. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, DTC or its nominee will immediately credit the relevant participants’ or account holders’ accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the face amount of the relevant Global Certificate as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in a Global Certificate held through such DTC participants will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Trustee will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Principal Paying Agent, the Registrar or the Transfer Agent shall have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Transfer of Notes

Transfers of interests in the Global Certificates within Euroclear, Clearstream and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in the Rule 144A Global Certificates to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Rule 144A Global Certificates to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in the Regulation S Global Certificates may only be held through Euroclear or Clearstream. In the case of Notes to be cleared through Euroclear, Clearstream and/or DTC, transfers may be made at any time by a holder of an interest in the Regulation S Global Certificates to a transferee who wishes to take delivery of such interest through the Rule 144A Global Certificates, provided that any such transfer will, subject to the applicable procedures of Euroclear, Clearstream and/or DTC from time to time, only be made upon receipt by any transfer agent of a written certificate from Euroclear or Clearstream, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person that the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A purchasing the Notes for its own account or any account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Regulation S Global Certificates will only be made upon request through Euroclear or Clearstream by the holder of an interest in the Regulation S Global Certificates to the other agent of details of that account at DTC to be credited with the relevant interest in the Rule 144A Global Certificates.

Transfers at any time by a holder of any interest in the Rule 144A Global Certificates to a transferee who takes delivery of such interest through the Regulation S Global Certificates will, subject to the applicable procedures of Euroclear, Clearstream and/or DTC from time to time, only be made upon delivery to any transfer agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Notes described above and under “*Transfer Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian of the Global Certificates, the Registrar and the Paying Agent. On or after the Closing Date, transfers of Notes between account holders in Euroclear and/or Clearstream and transfers of Notes between participants in DTC will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between account holders in Euroclear or Clearstream and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests between the Global Certificates will be effected through the Paying Agent, the custodian of the Global Certificates, the Registrar and any transfer agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) two business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Paying Agent or the Registrars as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream account holders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free-delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of the Notes, see “*Transfer Restrictions*”. DTC will take any action permitted to be taken by a holder of Notes only at the direction of one or more DTC participants in whose accounts with DTC interests in the Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificate as to which such DTC participant or participants has or have given such direction. However, the custodian of the Global Certificates will surrender the relevant Global Certificate for exchange for individual definitive notes in certain limited circumstances.

DTC is a limited purpose trust company organized under the laws of the State of New York, a “banking organization” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerized book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of notes. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly (“**indirect participants**”). Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Issuer through such DTC participant.

Although Euroclear, Clearstream and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and account holders of Euroclear, Clearstream and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations. While the Global Certificates are lodged with DTC, Notes represented by individual definitive notes will not be eligible for clearing or settlement through Euroclear, Clearstream or DTC.

Individual Definitive Notes

Registration of title to Notes in a name other than a custodian or its nominee for DTC will be permitted only in the circumstances set forth in “*Global Certificates — Exchange for Definitive Certificates*”. In such circumstances, the Issuer will cause sufficient individual definitive notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Note holder(s). A person having an interest in a Global Certificate must provide the Registrar with certain information as specified in the Agency Agreement.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which will be more than two business days following the date of pricing. Under Rule 15c6-1 of the U.S. Exchange Act, trades in the U.S. secondary market generally are required to settle within two business days (referred to as “**T+2**”) unless the parties to any such trade expressly agree otherwise. Accordingly, since the Closing Date will be more than two business days following the date of pricing, purchasers who wish to trade the Notes in the U.S. between the date of pricing and the date that is two business days prior to the Closing Date will be required, by virtue of the fact that such Notes initially will settle beyond T+2, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices. Purchasers of Notes who wish to trade Notes between the date of pricing and the date that is two business days prior to the Closing Date should consult their own adviser.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND IND-AS

Our audited financial statements have been prepared in accordance with Ind-AS notified under section 133 of the Indian Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time (except Ind-AS 33 on Earnings Per Share). Certain differences exist between Ind-AS and IFRS which might be material to the financial information herein. The areas in which differences between Ind-AS and IFRS could be significant to our financial position and results of operations are summarized below. IFRS being robust sets of standards, rules and interpretations, no assurance can be given that the differences listed below cover all possible differences. Furthermore, no attempt has been made to identify differences between Ind-AS and IFRS as a result of prescribed changes in accounting standards that are effective in future periods. Regulatory bodies that promulgate the Ind-AS and IFRS have significant projects ongoing that could affect future comparisons such as this one. Potential investors should consult their own advisers for an understanding of the principal differences between the Ind-AS and IFRS, and how these differences might affect the financial statements appearing in this Offering Memorandum.

Summary of Certain Differences

| Topic | IFRS | Ind-AS |
|--|---|---|
| 1. Presentation of Financial Statements — Components of financial statements | <p>IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content. As per IFRS, a complete set of financials comprises:</p> <ul style="list-style-type: none"> (a) a statement of financial position; (b) a statement of profit or loss and other comprehensive income for the period; (c) statement of cash flow; (d) statement of changes in equity; and (e) notes including summary of accounting policies and explanatory notes. | <p>The requirements for the presentation of financial statements are set out in Ind-AS compliant Schedule III to the Companies Act and the Accounting Standards specified under the Companies (Indian Accounting Standards) Rules, 2015.</p> <p>As per Ind-AS, a complete set of financials comprises:</p> <ul style="list-style-type: none"> (a) a balance sheet; (b) a statement of profit and loss; (c) statement of cash flow; (d) statement of changes in equity; and (e) notes including summary of accounting policies and explanatory notes. |
| 2. Presentation of Financial Statements — Fair presentation | <p>Fair presentation as per IFRS means faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition of criteria for assets, liabilities, income and expenses set out in the Framework. If management concludes that compliance with requirements of IFRS is so misleading then in extremely rare circumstances, it may depart from the Standard or the Interpretation. If there is departure from any Interpretation or Standard, a disclosure has to be given stating reasons for departure and why application of the Standard or the Interpretation would have been misleading and the financial</p> | <p>Similar to IFRS</p> |

| Topic | IFRS | Ind-AS |
|--|---|--|
| | impact of applying the standard are required to be disclosed | |
| 3. Presentation of Financial Statements — Statement of changes in equity | <p>A statement of changes in equity is presented showing:</p> <p>(f) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders.</p> <p>(g) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately.</p> <p>(h) Effects of retrospective application or restatement on each component of equity.</p> <p>(i) d) statement of changes in equity or in the notes, an analysis of other comprehensive income by item.</p> | Similar to IFRS |
| 4. Presentation of Financial Statements — Extraordinary items | IFRS prohibits the presentation of any items of income or expense as extraordinary. | Similar to IFRS |
| 5. Inventories — Reversal of write-down | A new assessment of net realizable value is required to be made in each subsequent period. Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in the net realizable value because of changes in economic circumstances. | Similar to IFRS |
| 6. Cash Flow Statement — Bank overdrafts | Included if they form an integral part of an entity's cash management. Usually, these bank balances often fluctuate from being positive to overdrawn. In such cases, bank overdrafts form a part of cash and cash equivalents | Similar to IFRS |
| 7. Cash Flow Statement — Cash flows from extraordinary items | As presentation of items as extraordinary is not permitted in accordance with IAS 1, cash flow statement does not reflect any items of cash flow as extraordinary. | Similar to IFRS |
| 8. Cash Flow Statement — Interest and dividend | Either can be classified as operating, investing or financing | Interest and dividends received are required to be classified as |

| Topic | IFRS | Ind-AS |
|---|--|--|
| | activities in a manner consistent from period to period | investing activities. Interest and dividends paid are required to be classified as financing activities. |
| 9. Accounting Policies, Changes in Accounting Estimates and Errors — Changes in accounting policies | Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. This retrospective change is permitted only when IFRS does not include specific transition provision or if changes in accounting policy is voluntary. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how change in accounting policy has been applied needs to be stated. When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of equity for that period. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable | Similar to IFRS |
| 10. Accounting Policies, Changes in Accounting Estimates and Errors | Material prior year errors are corrected retrospectively (except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error) by | Similar to IFRS |

| Topic | IFRS | Ind-AS |
|---|---|-----------------|
| | restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position | |
| 11. Accounting Policies, Changes in Accounting Estimates and Errors — New accounting pronouncements | New accounting pronouncements not applied by the entity that have been issued but not effective on the balance sheet date are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed | Similar to IFRS |
| 12. Events after balance sheet date — Dividends | Liability for dividends declared to holders of equity instruments are recognized in the period when declared | Similar to IFRS |
| 13. Income Taxes — Recognition of deferred tax liabilities | Deferred income taxes are recognized for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) of asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit | Similar to IFRS |
| 14. Income Taxes — Recognition of deferred tax assets | Deferred tax asset is recognized for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilized. | Similar to IFRS |
| 15. Income Taxes — recognition of taxes on items recognized in other comprehensive income or directly in equity | Current tax and deferred tax are recognized outside profit or loss if the tax relates to items that are recognized in the same or a different period, outside profit or loss. Therefore the tax on items recognized in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate | Similar to IFRS |
| 16. Income Taxes — Investments in subsidiaries, branches and | Deferred tax liability for all taxable temporary differences are | Similar to IFRS |

| Topic | IFRS | Ind-AS |
|--|---|--|
| associates, and interests in joint ventures | <p>recognized except to the extent that:</p> <p>(j) the parent, investor or the joint-venturer is able to control timing of the reversal of the temporary difference, and</p> <p>(k) it is probable that the temporary difference will not reverse in the foreseeable future</p> | |
| 17. Income Taxes — Deferred tax on business combinations | <p>If the potential benefit of the acquiree's income tax loss, carry forward or other deferred tax assets did not satisfy the criteria in IFRS 3 for separate recognition when the business combination is initially accounted for, and is subsequently realized, goodwill is reduced to record pre-acquisition deferred tax assets which are recognized within 12 months of the acquisition date as a result of new information on facts and circumstances that existed on the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefit is recognized in profit or loss. All other deferred tax benefits are recognized in profit or loss.</p> | <p>Similar to IFRS, except that if the carrying amount of goodwill is Nil, any remaining deferred tax benefits are recognized in other comprehensive income and accumulated in equity as capital reserve or recognized directly in capital reserve depending on whether there exist clear evidence of the underlying reason for classifying the business combination as a bargain purchase as specified in Ind-AS 103.</p> |
| 18. Income Taxes — deferred tax on unrealized intragroup profits | <p>Deferred tax is to be recognized on unrealized intra-group profits at the buyer's rate</p> | <p>Similar to IFRS</p> |
| 19. Property, Plant and Equipment — cost of major inspection | <p>Costs of major inspections and overhauls are recognized in the carrying amount of property, plant and equipment as replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognized</p> | <p>Similar to IFRS</p> |
| 20. Property, Plant and Equipment — revaluation | <p>If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date</p> | <p>Similar to IFRS</p> |
| 21. Property, Plant and Equipment — compensation for impairment | <p>Compensation from third parties for impairment or loss of items of property, plant and equipment is included in the statement of profit and loss when the compensation becomes receivable.</p> | <p>Similar to IFRS</p> |

| Topic | IFRS | Ind-AS |
|---|--|--|
| 22. Property, Plant and Equipment — change in method of depreciation | Changes in depreciation method are considered as change in accounting estimate and applied prospectively | Similar to IFRS |
| 23. Property, Plant and Equipment — Change in existing Decommissioning, Restoration and Similar Liabilities | Provision for decommissioning, restoration and similar liabilities that have previously been recognized as part of the cost of an item of property, plant and equipment are adjusted for changes in the amount or timing of future costs and for changes in market-based discount rates | Similar to IFRS |
| 24. Leases — interest in leasehold land | As per para 19 of IAS 17, in accordance with IAS 40, it is possible for a lessee to classify a property interest held under an operating lease as an investment property. If it does, the property interest is accounted for as if it were a finance lease and, in addition, the fair value model is used for the asset recognized. The lessee will continue to account for the lease as a finance lease, even if a subsequent event changes the nature of the lessee's property interest so that it is no longer classified as investment property | Similar to IFRS, except that a property interest in an operating lease cannot be accounted for as Investment property at fair value as the fair value model is not permissible by Ind-AS 40. |
| 25. Leases — initial direct costs of lessors for assets under a finance lease | For finance leases other than those involving manufacturer or dealer lessors, initial direct costs are included in the measurement of the finance lease receivable and reduce the amount of income recognized over the lease term. Initial direct cost is often incurred in connection with specific leasing activities such as negotiating and securing leasing arrangements should be considered. Only incremental costs may be treated as initial direct cost. Initial lease costs incurred by manufacturer or dealer lessors are recognized as expense when selling profit is recognized | Similar to IFRS |
| 26. Leases — initial direct costs of lessors for assets under operating leases | Initial direct costs incurred by lessors are added to the carrying amount of the leased asset and recognized as expense over the lease term on the same basis as lease income | Similar to IFRS |
| 27. Determining whether an arrangement contains a lease | An arrangement that does not take the legal form of a lease but fulfilment of which is dependent | Similar to IFRS |

| Topic | IFRS | Ind-AS |
|--|--|-----------------|
| | on the use of specific assets and which conveys the right to use the assets is accounted for as a lease in accordance with IAS 17. | |
| 28. Lease incentives | The lessor and lessee recognize lease incentives as an increase or reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from use of the leased asset | Similar to IFRS |
| 29. Evaluating the Substance of transactions involving the legal form of a lease | If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction | Similar to IFRS |
| 30. Revenues — definition | Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenues. | Similar to IFRS |
| 31. Revenues — measurement | Revenue shall be measured at the fair value of the consideration received or receivable. When the inflow of cash and cash equivalents is deferred, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method | Similar to IFRS |
| 32. Revenues — exchange transactions | When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, revenue is not recognized. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any | Similar to IFRS |

| Topic | IFRS | Ind-AS |
|--|--|--|
| | cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred | |
| 33. Revenues — interest | Interest income is recognized using the effective interest method. | Similar to IFRS |
| 34. Revenues — Dividend recognition out in separate financial statements | Entire dividend income should be recognized in the statement of profit or loss irrespective of whether it is declared out of pre-acquisition or post-acquisition profits, though it may, in some situations, be necessary to test the investment for impairment | Similar to IFRS |
| 35. Employee Benefits — Discount rate | Market yields at the reporting period on high quality corporate bonds are used as discount rates. In countries where there are no deep markets for such bonds, market yields on government bonds are used. | The rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India shall discount post-employment benefit obligations arising on account of post-employment benefit plans using the rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In case, such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds of that country shall be used. The currency and term of the government bonds or corporate bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. |
| 36. Employee Benefits — Actuarial gains and losses | Actuarial gains and losses forms part of re-measurement of net defined benefit liability (asset) and recognized in other comprehensive income | Similar to IFRS |

| Topic | | IFRS | Ind-AS |
|---|--|---|---|
| 37. Employee Benefits — Interest expense (income) on defined benefit plans | | Interest expense/(income) is determined by applying the discount rate as specified above on net defined benefit liability/(asset) and recognized in profit or loss. Net defined benefit liability/(asset) is the present value of the defined benefit obligation less the fair value of plan assets (if any). The difference between the return on plan assets and amounts considered in net interest is included in the remeasurement of the net defined benefit liability/(asset) and recognized in other comprehensive income. | Similar to IFRS |
| 38. Government Grants — recognition | | Government grants are recognized as income to match them with related costs which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. Government grants related to assets are presented in the Balance Sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. | Similar to IFRS, except grant related to assets, including non-monetary grant at fair value which should be presented in balance sheet only by setting up the grant as deferred income. |
| 39. Government Grants — nonmonetary assets | | The asset and the grant may be accounted at fair value. Alternatively, these can be accounted at nominal value. | Both, the grant and the asset should be accounted for at fair value |
| 40. Effects of Changes in Foreign Exchange Rates — functional and presentation currency | | Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented | Similar to IFRS |
| 41. Effects of Changes in Foreign Exchange Rates — exchange differences | | Exchange differences arising on translation or settlement of foreign currency monetary items are recognized in profit or loss in the period in which they arise. | Similar to IFRS, However, an entity may continue the policy adopted for exchange difference arising from translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind-AS financial reporting period as per the previous generally accepted accounting principles in India. |
| 42. Effects of Changes in Foreign Exchange Rates — change in functional currency | | Change in functional currency is applied prospectively. The fact of change in functional currency and | Similar to IFRS. Additionally, the date of change in functional currency should also be disclosed. |

| Topic | IFRS | Ind-AS |
|---|---|---|
| | the reason for the change in functional currency should be disclosed | |
| 43. Effects of Changes in Foreign Exchange Rates — translation in consolidated financial statements | Assets and liabilities should be translated from functional to presentation currency at the closing rate at the date of the balance sheet; income and expenses at actual /average rate for the period; exchange differences are recognized in the other comprehensive income and accumulated as a separate component of equity and recycled to income statement on disposal of investment/ operation. | Similar to IFRS |
| 44. Related Party Disclosures, identification | Related party includes post-employment benefit plans for the benefit of employees of either the reporting entity or any an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity | Similar to IFRS |
| 45. Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements | Accounted either at cost less impairment loss or at fair value in accordance with IAS 39 | Similar to IFRS |
| 46. Investments in Associates and Joint Ventures — Separate financial statements of the investor | Accounted either at cost less impairment loss or at fair value in accordance with IAS 39. | Similar to IFRS |
| 47. Investments in Associates and Joint Ventures — in consolidated financial statements — Goodwill | Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment i.e. Negative goodwill is included as income in determination of the investor's share of associate's profit or loss | Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment should be recognized directly in equity as capital reserve in the period in which the investment is acquired |
| 48. Financial Instruments: Presentation — classification of convertible debts | Convertible debts are split into liability component and equity / embedded financial derivative component depending on the terms | Similar to IFRS |
| 49. Earnings Per Share — Extraordinary items | Since IAS 1 prohibits presentation of any item as extra ordinary, no consideration is given to such items for calculating EPS. | Similar to IFRS |
| 50. Impairment of Assets — reversal of impairment loss for goodwill | Impairment loss recognized for goodwill is prohibited from reversal in a subsequent period. | Similar to IFRS |

| Topic | | IFRS | Ind-AS |
|---|-------------------|---|--|
| 51. Provisions, liabilities and Contingent Assets — Recognition of Provisions | Contingent Assets | A provision is recognized when an entity has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. | Similar to IFRS |
| 52. Provisions, Liabilities and Contingent Assets — discounting | Contingent Assets | Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted | Similar to IFRS |
| 53. Provisions, Liabilities and Contingent Assets — contingent assets | Contingent Assets | Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable. | Similar to IFRS |
| 54. Intangible assets — measurement | assets | Intangible assets can be measured at either cost or revalued amount. | Similar to IFRS |
| 55. Intangible assets — useful life | | Useful life may be finite or indefinite. | Similar to IFRS |
| 56. Investment measurement | Property | Investment properties can be measured using the cost model (in accordance with IAS 16 requirements) or the fair value model (with changes in fair value recognized in the statement of profit and loss). | Investment property are measured using cost model. Fair value model is not permitted. Detailed disclosure pertaining to fair value have to be given. |
| 57. Non-current assets held for sale — recognition and measurement | | Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. The asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell | Similar to IFRS |

| Topic | | IFRS | Ind-AS |
|--|---|---|-----------------|
| 58. Non-current assets held for sale — discontinued operations | | An operation is classified as discontinued when it has either has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations, (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale. | Similar to IFRS |
| 59. Operating Segments determination of segments | — | Operating segments are components of an entity that engages in business activities from which it may earn revenues and incur expenses and are identified based on the financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which discrete financial information is available. | Similar to IFRS |
| 60. Operating Segments measurement | — | Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements | Similar to IFRS |
| 61. Operating Segments — entity wide disclosures | | Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenues from each customer is 10% or more of total segment revenues. | Similar to IFRS |
| 62. Financial Instruments: Recognition and Measurement — general recognition principle | | All financial assets and financial liabilities are recognized in the statement of financial position when these meet the definition and | Similar to IFRS |

| Topic | IFRS | Ind-AS |
|---|--|---|
| | <p>recognition criteria of a financial instrument.</p> <p>A financial instrument is a contract to that give rise to a financial asset of one entity and a financial liability or equity in another entity</p> | |
| 63. Financial Instruments: Recognition and Measurement — investments, and loans and receivables | <p>All the financial assets are as measured at amortized cost or at fair value.</p> <p>Where the assets are measured at fair value, gain and loss are either recognized entirely in profit and loss (“FVTPL”) or recognized in other comprehensive income (“FVTOCI”).</p> <p>Equity instruments Except equity instruments that do not have a quoted market price and whose fair value cannot be measured reliably should be classified as measured at fair value through profit or loss (“FVTPL”).</p> <p>IAS 39 provides an option to irrevocably designate, at initial recognition, equity instruments which are neither held for trading nor are contingent consideration arising from business combination, to measure subsequent changes in fair value in other comprehensive income.</p> | Similar to IFRS |
| 64. Financial Instruments: Recognition and Measurement — impairment | <p>A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk statistics and collectively assessed for impairment. Impairment loss shall be recognized to statement of profit and loss account.</p> | <p>The impairment model is based on expected credit losses and it applies equally to debt instrument measured at amortized cost or FVTOCI (the loss allowance is recognized in other comprehensive income and not reduced from carrying amount of financial assets), lease receivables and certain written loan commitments and financial guarantee contracts.</p> <p>Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to (i) the 12 months expected credit losses or (ii) lifetime expected credit losses, if credit risk has increased significantly since initial</p> |

| Topic | IFRS | Ind-AS |
|---|--|--|
| | | recognition of the financial instruments. With respect to trade receivables, loss allowance is measured at lifetime expected credit losses. |
| 65. Financial Instruments: Recognition and Measurement — derivatives | Measured at fair values. | Similar to IFRS |
| 66. Financial Instruments: Recognition and Measurement — derivatives and hedge accounting | <p>Hedge accounting (recognizing the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable, and actually effective. IAS 39 provides for three types of hedges:</p> <ul style="list-style-type: none"> •fair value hedge: if an entity hedges a change in fair value of a recognized asset or liability or firm commitment, the gain or loss on the hedged item attributable to the hedge risk also adjusted to the carrying amount of the hedge item and is recognized in profit or loss; •cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognized asset or liability or a highly probable forecast transaction, the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in OCI. The amount so recognized in OCI is generally recycled to the profit or loss in the period during which the asset assumed or liability assumed affect profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss in the period of such change; and •hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge. | Similar to IFRS |
| 67. Consolidated Financial Statements — definition of Control | An investor controls an investee if and only if the investor has all the following: (a) power over the investee (b) exposure, or rights, to | Similar to IFRS |

| Topic | | IFRS | Ind-AS |
|---|--|--|-----------------|
| | | variable returns from its involvement with the investee; and(c) the ability to use its power over the investee to affect the amount of the investor's returns. | |
| 68. Consolidated Financial Statements — Reporting dates | | The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months. | Similar to IFRS |
| 69. Consolidated Financial Statements — Uniform accounting policies | | A Parent shall prepare consolidated financial statements using uniform accounting policies for like transaction and other events in similar circumstances. No exception is provided. | Similar to IFRS |
| 70. Consolidated Financial Statements — Non-controlling interests | | Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. | Similar to IFRS |
| 71. Consolidated Financial Statements — Allocation of losses to non-controlling interests | | Total comprehensive income/ net income or loss, if presented separately is allocated to owners of the parent and the non-controlling interest even though this results in non-controlling interest having a deficit balance. | Similar to IFRS |
| 72. Consolidated Financial Statements — Disposals | | Partial disposal of subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognized. Partial disposal of subsidiary resulting in loss of control triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognized as gain or loss in profit or loss. | Similar to IFRS |
| 73. Disclosure of Interests in Other Entities | | IFRS 12 sets out the disclosures required for entities adopting IFRS 10, Consolidated Financial Statements and IFRS 11, Joint Arrangements. It requires entities to disclose information that helps users to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. | Similar to IFRS |
| 74. Fair Value Measurement | | IFRS 13 establishes a single source of guidance for all fair value measurements. It provides | Similar to IFRS |

| Topic | IFRS | Ind-AS |
|--|--|-----------------|
| | guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS. | |
| 75. Fair Value Measurement — Fair Value definition | 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. | Similar to IFRS |
| 76. Fair Value Measurement — Fair value hierarchy | Fair value hierarchy does not categorize financial assets and financial liabilities. Fair value hierarchy categorizes three level inputs to valuation techniques for fair value measurement. | Similar to IFRS |

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Linklaters Singapore Pte. Ltd. with respect to matters of U.S. federal securities law and English law and by AZB & Partners with respect to matters of Indian law. Certain legal matters with respect to the offering of the Notes will be passed upon for the Joint Bookrunners by Latham & Watkins LLP with respect to matters of U.S. federal securities laws and English law and by Talwar Thakore & Associates with respect to Indian law.

INDEPENDENT AUDITORS

Pathak H. D. & Associates LLP, our independent auditors, have audited our audited financial statements for the financial year 2019.

Deloitte Haskins & Sells Chartered Accountants LLP and Pathak H. D. & Associates LLP, our independent joint auditors, have jointly audited our audited financial statements for the financial years 2020 and 2021. Our audited financial statements for the financial years 2020 and 2021 are included in this Offering Memorandum.

Pathak H. D. & Associates LLP and Deloitte Haskins & Sells Chartered Accountants LLP are registered with the Institute of Chartered Accountants of India.

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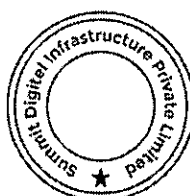
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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Balance Sheet as at March 31, 2021

| Balance Sheet as at March 31, 2021 | | (Rs. in Million) | |
|--------------------------------------|-------|------------------|-----------------|
| Particulars | Notes | As at | As at |
| | | March 31, 2021 | March 31, 2020 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 1 | 3,80,105 | 3,87,266 |
| Right of Use Assets | 2 | 206 | 117 |
| Capital Work in Progress | 1 | 18 | - |
| Financial Assets | | | |
| Other Financial Assets | 3 | 4,571 | 3,072 |
| Other Non-Current Assets | 4 | 3,236 | 3,236 |
| Total Non-Current Assets | | 3,88,136 | 3,93,691 |
| CURRENT ASSETS | | | |
| Financial Assets | | | |
| Trade Receivables | 5 | 153 | 153 |
| Cash and Cash Equivalents | 6 | 9,914 | 446 |
| Other Bank Balances | 7 | 3 | 3 |
| Other Financial Assets | 8 | 4,531 | 24,099 |
| Other Current Assets | 9 | 11,589 | 22,553 |
| Total Current Assets | | 26,190 | 47,254 |
| Total Assets | | 4,14,326 | 4,40,945 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 10 | 2,150 | 2,150 |
| Other Equity | 11 | (52,495) | (20,501) |
| Total Equity | | (50,345) | (18,351) |
| LIABILITIES | | | |
| Non - Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 12 | 4,31,851 | 2,28,194 |
| Right of use liabilities | 2 | 88 | - |
| Provisions | 13 | 11,235 | 10,854 |
| Total Non-Current Liabilities | | 4,43,174 | 2,39,048 |



[Handwritten signature]

SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Balance Sheet as at March 31, 2021

| Particulars | Notes | (Rs. in Million) | |
|--|-------|-------------------------|-------------------------|
| | | As at March 31, 2021 | As at March 31, 2020 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | - | 30,050 |
| Trade Payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 15 | 0 | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 15 | 1,945 | 3,059 |
| Right of use liabilities | 2 | 18 | - |
| Other Financial Liabilities | 16 | 14,708 | 71,142 |
| Creditors for Capital Expenditure | | - | 1,14,610 |
| Other Current Liabilities | 17 | 4,822 | 1,387 |
| Provisions | 13 | 4 | - |
| Total Current Liabilities | | 21,497 | 2,20,248 |
| Total Liabilities | | 4,64,671 | 4,59,296 |
| Total Equity and Liabilities | | 4,14,326 | 4,40,945 |

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 40

"0" represents the amount below the denomination threshold.

As per our report of even date.

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593

Gopal Chaturvedi

Gopal Chaturvedi
Partner

Membership No. 090903

Date: June 03, 2021

Place: Mumbai



For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W

Varsha A. Fadte

Varsha A. Fadte
Partner
Membership No. 103999

Date: June 03, 2021

Place: Chicalim, Goa



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

Mihir Anil Nerurkar

Mihir Anil Nerurkar
Director

(DIN: 02038842)

Date: June 03, 2021

Place: Mumbai

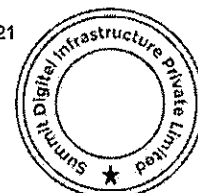
Dhananjay Joshi

Dhananjay Joshi
Managing Director and Chief
Executive Officer

(DIN: 09096270)

Date: June 03, 2021

Place: Bangalore



Rishi Tibriwal

Rishi Tibriwal
Chief Financial Officer
PAN: AAAPT5595R

Date: June 03, 2021

Place: Canada

Chandra Kant Sharma

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

Date: June 03, 2021

Place: Mumbai

SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Statement of Profit & Loss for the year ended March 31, 2021

| Particulars | Notes | (Rs. in Million) | |
|--|-------|------------------------------|------------------------------|
| | | Year ended March 31, 2021 | Year ended March 31, 2020 |
| INCOME | | | |
| Revenue from Operations | 18 | 82,442 | 74,767 |
| Other Income | 19 | 153 | 125 |
| Total Income | | 82,595 | 74,892 |
| EXPENSES | | | |
| Network Operating Expenses | 20 | 51,360 | 45,878 |
| Employee Benefits Expense | 21 | 164 | 1 |
| Finance Costs | 22 | 34,590 | 31,940 |
| Depreciation and Amortisation Expense | 23 | 19,560 | 17,784 |
| Other Expenses | 24 | 301 | 257 |
| Total Expenses | | 1,05,975 | 95,860 |
| Loss before Tax | | (23,380) | (20,968) |
| Tax Expenses | | - | - |
| Loss for the year | | (23,380) | (20,968) |
| Other Comprehensive Loss | | - | - |
| Total Comprehensive Loss for the year | | (23,380) | (20,968) |
| Earnings per Equity Share | 25 | | |
| Basic Per Share (in Rupees) | | (10.87) | (9.78) |
| Diluted Per Share (in Rupees) | | (10.87) | (9.78) |

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 40

"0" represents the amount below the denomination threshold.

As per our report of even date.

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593

Gopal Chaturvedi

Gopal Chaturvedi
Partner

Membership No. 090903

Date: June 03, 2021

Place: Mumbai

For Deloitte Haskins & Sells
Chartered Accountants

Firm Regn No: 17364W

Varsha A. Fadte

Varsha A. Fadte
Partner

Membership No. 103999

Date: June 03, 2021

Place: Chicalim, Goa

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

Mihir Anil Nerurkar

Mihir Anil Nerurkar
Director

(DIN:02038842)

Date: June 03, 2021

Place: Mumbai

Rishi Tibriwal

Rishi Tibriwal
Chief Financial Officer
PAN: AAAPT5595R

Date: June 03, 2021

Place: Canada

Dhananjay Joshi

Dhananjay Joshi
Managing Director and Chief
Executive Officer
(DIN: 09096270)

Date: June 03, 2021

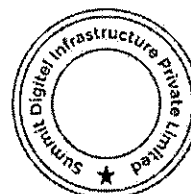
Place: Bangalore

Chandra Kant Sharma

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

Date: June 03, 2021

Place: Mumbai



SUMMIT DIGITEL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Statement of Changes in Equity for the year ended March 31, 2021

| Particulars | (Rs. in Million) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| (A) Equity Share Capital | | |
| 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 | (Rs. in Million) | | |
|--|---|--|----------|
| | Instrument classified as Equity: 10% Cumulative Optionally Convertible Preference Share Capital Fully paid up | Reserves and Surplus: Retained Earnings | Total |
| As on March 31, 2020 | | | |
| Balance at the beginning of the year i.e. April 01, 2019 | 500 | (33) | 467 |
| Total Comprehensive loss for the year | - | (20,968) | (20,968) |
| Balance at the end of the year i.e. March 31, 2020 | 500 | (21,001) | (20,501) |
| As on March 31, 2021 | | | |
| Balance at the beginning of the year i.e. April 01, 2020 | 500 | (21,001) | (20,501) |
| Total Comprehensive loss for the year | - | (23,380) | (23,380) |
| Other adjustments (Refer Note 12 (III) and Note 11) | (500) | (8,114) | (8,614) |
| Balance at the end of the year i.e. March 31, 2021 | - | (52,495) | (52,495) |

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 40

"0" represents the amount below the denomination threshold.

Place:

As per our report of even date.

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593

Gopal Chaturvedi
Gopal Chaturvedi
Partner

Membership No. 090903

Date: June 03, 2021
Place: Mumbai

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W

Varsha A. Fade
Varsha A. Fade
Partner
Membership No. 103999

Date: June 03, 2021
Place: Chicalim, Goa

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

Mihir Anil Nerurkar
Mihir Anil Nerurkar
Director

(DIN:02038842)

Date: June 03, 2021
Place: Mumbai

Rishi Tibriwal
Rishi Tibriwal
Chief Financial Officer
PAN: AAAPT5595R

Date: June 03, 2021
Place: Canada

Dhananjay Joshi
Dhananjay Joshi
Managing Director and Chief Executive
Officer

(DIN: 09096270)

Date: June 03, 2021
Place: Bangalore

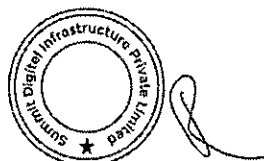
Chandra Kant Sharma
Chandra Kant Sharma
Company Secretary
(Membership No: F8322)
PAN: BSDPS2436J

Date: June 03, 2021
Place: Mumbai

SUMMIT DIGITEL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Statement of Cash Flow for the year ended March 31, 2021

| Particulars | (Rs. in Million) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Loss before tax as per Profit and Loss Statement | (23,380) | (20,968) |
| Adjusted for | | |
| Depreciation and Amortisation Expense | 19,560 | 17,784 |
| Gain on Investments (Net) | (49) | (119) |
| Interest Income | (64) | - |
| Interest on income tax refund | (40) | (6) |
| Finance Costs | 34,590 | 31,940 |
| | 53,997 | 49,599 |
| Operating profit before working capital changes | 30,617 | 28,631 |
| Adjusted for : | | |
| Trade and Other Receivables | 12,505 | (11,184) |
| Trade and Other Payables | (40,910) | 13,324 |
| | (28,405) | 2,140 |
| Cash (Utilised in)/Generated from Operations | 2,212 | 30,771 |
| Income taxes refund/(paid) | 488 | (695) |
| Net Cash (Utilised In)/Generated from Operations (A) | 2,700 | 30,076 |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Property, Plant and Equipment | (1,10,631) | (84,639) |
| Purchase of Investments | (45,029) | (1,66,930) |
| Sale of Investments | 45,078 | 1,67,194 |
| Investments in bank deposits | (30) | (6) |
| Interest received | 55 | - |
| | (1,10,557) | (84,381) |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Payment of lease liabilities | (4) | - |
| Proceeds from Long term Borrowings | 5,51,835 | 50,000 |
| Repayment of Long term Borrowings | (3,56,720) | (10,000) |
| Proceeds from Short term Borrowings | - | 38,312 |
| Repayment of Short term Borrowings | (30,050) | (37,912) |
| Deposit Received | - | 35,940 |
| Working capital adjustment (Refer Note 11(i)) | (3,824) | - |
| Finance Costs Paid | (43,912) | (21,592) |
| | 1,17,325 | 54,749 |
| Net Cash flow generated from financing activities (C) | 1,17,325 | 54,749 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 9,468 | 444 |
| Opening Balance of Cash and Cash Equivalents | 446 | 3 |
| Closing Balance of Cash and Cash Equivalents | 9,914 | 446 |



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Changes in Liability arising from financing activities

(Rs. in Million)

| | As at April 01, 2020 | Cash Flow | Non Cash Unamortised Prepaid finance charges | Transfer from Equity | As at March 31, 2021 |
|--|----------------------------|-----------------|---|----------------------------|-------------------------|
| Borrowings (Refer Note - 12) | 2,38,194 | 1,95,115 | (1,584) | 126 | 4,31,851 |
| Borrowings - Current (Refer Note - 14) | 30,050 | (30,050) | - | - | - |
| Total | 2,68,244 | 1,65,065 | (1,584) | 126 | 4,31,851 |

(Rs. in Million)

| | April 01, 2019 | Cash Flow | Non Cash Unamortised Prepaid finance charges | Transfer from Equity | As at March 31, 2020 |
|--|-------------------|---------------|---|----------------------------|-------------------------|
| Borrowings (Refer Note - 12 and 16) | 1,98,360 | 40,000 | (166) | - | 2,38,194 |
| Borrowings - Current (Refer Note - 14) | 29,650 | 400 | - | - | 30,050 |
| Total | 2,28,010 | 40,400 | (166) | - | 2,68,244 |

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 40

"0" represents the amount below the denomination threshold.

As per our report of even date.

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593

Gopal Chaturvedi

Gopal Chaturvedi
Partner
Membership No. 090903

Date: June 03, 2021
Place: Mumbai



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

Mihir Anil Nerurkar

Mihir Anil Nerurkar
Director
(DIN: 02038842)
Date: June 03, 2021
Place: Mumbai

Dhananjay Joshi

Dhananjay Joshi
Managing Director and Chief Executive Officer
(DIN: 09096270)
Date: June 03, 2021
Place: Bangalore

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W

Varsha A. Fadte

Varsha A. Fadte
Partner
Membership No. 103999

Date: June 03, 2021
Place: Chicalm, Goa



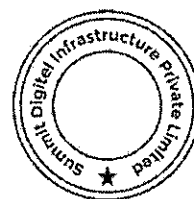
Rishi Tibriwal

Rishi Tibriwal
Chief Financial Officer
PAN: AAAPT5595R

Date: June 03, 2021
Place: Canada

Chandra Kant Sharma

Chandra Kant Sharma
Company Secretary
(Membership No: F8322)
PAN: BSDPS2436J
Date: June 03, 2021
Place: Mumbai



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

A CORPORATE INFORMATION

Summit Digital 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. As at March 31, 2021, 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 Digital Infrastructure Private Limited" effective November 18, 2020. The registered office address of the Company was shifted from Office-101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat-380006 to 511, Shapath-V, Near Karnavati Club, S G Highway, Ahmedabad, Gujarat-380015 effective March 31, 2021. The Principal business of the Company is setting up and maintaining passive tower infrastructure and related assets and providing passive tower infrastructure services.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the Company, comprise the Balance Sheet as at March 31, 2021, 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, 2021 and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

Statement of compliance with Ind AS:

These financial statements for the year ended 31 March 2021 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), on historical cost basis except for certain Financial Assets and Financial Liabilities (including derivative instruments) that are measured at fair values to comply with the Ind AS, including the rules notified under the relevant provisions of the Companies Act, 2013 ("the Act").

The Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

B.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 Companies Act, 2013.

An asset is treated as Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
 - Held primarily for trading;
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is treated as Current when:

- It is expected to be settled in normal operating cycle;
- Held primarily for trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

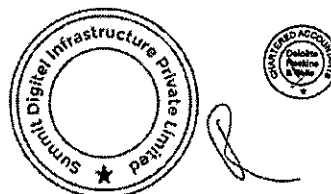
The Company classifies all other liabilities as non-current.

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



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

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 on Plant and Equipment and building is provided using straight-line method based on estimated useful life of 20 years. The estimated useful life is different from the useful life as prescribed under Schedule II to the Companies Act, 2013 and in the opinion of the Company this represents the best estimate thereof on the basis of technical evaluation and actual usage period. Leasehold land and leasehold improvements are amortised over the period of lease or useful life whichever is less.

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.

(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 recognizes 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

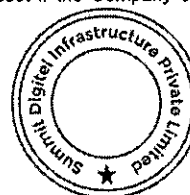
Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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 amortized 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.



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

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 recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

(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 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:

Asset Retirement Obligation (ARO) is provided for where the Company has an obligation to restore the rented premises at the end of the period in a condition similar to inception of the arrangement.

The obligation arising on account of such costs are provided at present value of future restoration and dismantling costs and are recognised as part of the cost of underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(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

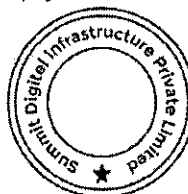
Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach which requires expected life time losses to be recognized 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 for the period comprises 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.



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet 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 income tax assets on carry forward losses is recognised based on convincing evidence where it is reasonably certain that sufficient taxable profits will be available to utilise those losses. Deferred tax assets are recognised to the extent 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 utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(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.

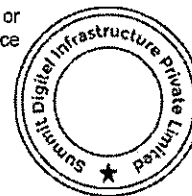
Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings and that are directly attributable to the acquisition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

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



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

(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 recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. IP Fees are recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master services agreement entered with customer. 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-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty 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 recognized 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.

(l) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized 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)

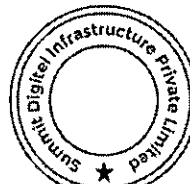
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal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

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.



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized 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 uses various derivative financial instruments such as forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

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

Fair Value Hedge

The Company designates derivative contracts or non derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

(m) Earnings per Share

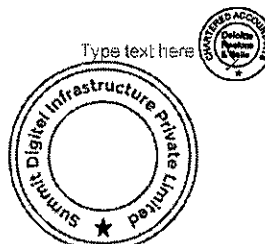
Basic earnings per share is calculated by dividing the net profit / loss after tax by the weighted average number of equity shares outstanding. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential 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.



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2021

(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 categorized 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 recognized 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 recognized 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 recognized in the statement of profit and loss.

C Critical accounting judgements and key sources of estimation uncertainty:

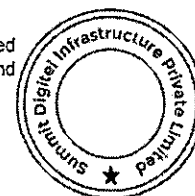
The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets, liabilities and contingent liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates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

(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.



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

(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 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 current 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 recognized 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 & Liabilities

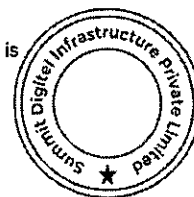
Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely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

Standards issued but not effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

NOTE 1. Property, Plant and Equipment and Capital work in progress

| Description | Gross Block | | | | Accumulated depreciation | | Net Block | |
|--|----------------------|---------------|------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2020 | Additions | Deductions | As at March 31, 2021 | As at April 01, 2020 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 |
| Property, Plant & Equipment | | | | | | | | |
| Tangible Assets : | | | | | | | | |
| Own Assets : | | | | | | | | |
| Freehold Land | 96 | - | - | 96 | - | - | 96 | 96 |
| Leasehold Improvements | 110 | - | - | 110 | 5 | 10 | 100 | 105 |
| Buildings | 17 | - | - | 17 | 1 | 2 | 15 | 16 |
| Computers | - | 6 | - | 6 | - | 1 | 5 | - |
| Plant and Equipments | 4,04,821 | 12,376 | - | 4,17,197 | 17,772 | 37,308 | 3,79,889 | 3,87,049 |
| Total (A) | 4,05,044 | 12,382 | - | 4,17,426 | 17,778 | 37,321 | 3,80,105 | 3,87,266 |

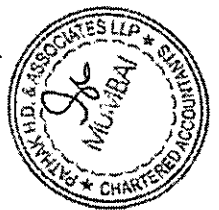
| | | | | | | | | |
|---------------------------------|--|--|--|--|--|--|-----------|----------|
| Capital work in progress | | | | | | | 18 | - |
|---------------------------------|--|--|--|--|--|--|-----------|----------|

Note for FY 2019-20

| Description | Gross Block | | | | Depreciation and Amortisation | | Net Block | |
|--|----------------------|-----------------|------------|----------------------|-------------------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2019 | Additions | Deductions | As at March 31, 2020 | As at April 01, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 |
| Property, Plant and Equipment : | | | | | | | | |
| Tangible Assets : | | | | | | | | |
| Own Assets (A) | | | | | | | | |
| Land | - | - | - | - | - | - | - | 96 |
| Leasehold Improvements | 96 | - | - | 96 | - | - | 96 | 110 |
| Buildings | 110 | - | - | 110 | 5 | 5 | 105 | 17 |
| Plant and Equipments | 17 | - | - | 17 | 1 | 1 | 16 | 2,47,862 |
| Total (A) | 2,47,862 | 1,56,959 | - | 4,04,821 | 17,772 | 17,778 | 3,87,049 | 2,48,085 |
| Total (A) | 2,48,085 | 1,56,959 | - | 4,05,044 | - | 17,778 | 3,87,266 | 2,48,085 |

Notes

- 1.1. For properties mortgaged / hypothecated (Refer note 12)
- 1.2. Title deeds for the Immovable Properties are in the process of being transferred in the name of the Company.



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

2 Right of Use (ROU) Assets and Liabilities
2A Right of Use Assets (ROU)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

| Particulars | (Rs. in Million) | | |
|-------------------------------------|------------------|------------|------------|
| | Buildings | Land | Total |
| Balance as on March 31, 2019 | - | 123 | 123 |
| Additions during the year | - | - | - |
| Depreciation | - | (6) | (6) |
| Balance as on March 31, 2020 | - | 117 | 117 |
| Additions during the year | 106 | - | 106 |
| Depreciation | (10) | (7) | (17) |
| Balance as on March 31, 2021 | 96 | 110 | 206 |

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

Lease deeds for the leasehold land are in process of being transferred in the name of the Company.

2B Right of Use Liabilities

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

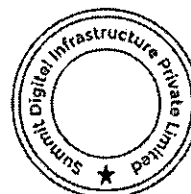
| Particulars | (Rs. in Million) | |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Current lease liabilities | 18 | - |
| Non-current lease liabilities | 88 | - |
| Total | 106 | - |

The following is the movement in lease liabilities during the year ended March 31, 2021

| Particulars | (Rs. in Million) | |
|--------------------------------------|------------------|------------|
| | Total | |
| Balance as on March 31, 2020 | - | - |
| Additions | 106 | 106 |
| Finance cost accrued during the year | 4 | 4 |
| Payment of lease liabilities | (4) | (4) |
| Balance as on March 31, 2021 | 106 | 106 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

| Particulars | (Rs. in Million) | |
|----------------------|------------------|------------|
| | Total | |
| Less than One year | 26 | 26 |
| One to five years | 100 | 100 |
| More than five years | - | - |
| Total | 126 | 126 |



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

| 3 Other Financial Assets - Non Current (Rs. in Million) | | |
|--|----------------|----------------|
| Particulars | As at | As at |
| (Unsecured and Considered Good) | March 31, 2021 | March 31, 2020 |
| Security Deposits | 4,538 | 3,069 |
| Fixed Deposit with Banks | 33 | 3 |
| Total | 4,571 | 3,072 |

3.1 Fixed Deposits with Bank of Rs. 33 million (Previous year Rs. 3 million) have been pledged against bank guarantees issued to Government and other regulatory authorities.

| 4 Other Non-Current Assets (Rs. in Million) | | |
|--|----------------|----------------|
| Particulars | As at | As at |
| (Unsecured and Considered Good) | March 31, 2021 | March 31, 2020 |
| Advance Income Tax / TDS (Refer note below) | 253 | 701 |
| Amount Paid under Protest - GST | 2,944 | 2,535 |
| Prepaid expenses | 39 | - |
| Total | 3,236 | 3,236 |

Note : Advance Income Tax:

| | | |
|--|------------|------------|
| At start of year | 701 | - |
| Charge for the year - Current Tax | - | - |
| Income tax refund | (668) | - |
| Tax Deducted at Source during the year | 220 | 701 |
| At end of year | 253 | 701 |

Component of Deferred tax asset / (liabilities)

Deferred tax asset / (liabilities) In relation to:

| | | |
|---|----------|----------|
| Property, Plant and Equipment | (19,505) | (10,282) |
| Carried Forward Losses (restricted to the extent of deferred tax liability) | 19,505 | 10,282 |
| Total | - | - |

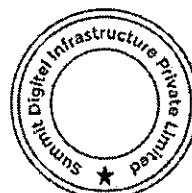
The recoverability of deferred income tax assets is based on estimates of future taxable income in which the Company operates and the period over which deferred income tax assets will be recovered.

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

| Tax Loss carried Forward (Rs. in Million) | | |
|--|----------------|----------------|
| Particulars | March 31, 2021 | March 31, 2020 |
| Depreciation Loss (Carried Forward indefinitely) | 39,667 | 19,696 |

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

| Tax Loss carried Forward | | |
|--|----------------|----------------|
| Particulars | March 31, 2021 | March 31, 2020 |
| Business Loss (can be c/f till 2027-2028) | 2,235 | 2,235 |
| Business Loss (can be c/f till 2028-2029) | 3,820 | - |
| Depreciation Loss (Carried Forward indefinitely) | 71,444 | 38,617 |
| Deferred Tax Assets | 19,505 | 10,282 |



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

| | March 31, 2021 | (Rs. in Million) March 31, 2020 |
|---|----------------|------------------------------------|
| 4.1 Reconciliation of income tax expenses for the year to the accounting profit: | | |
| Loss before Tax | (23,380) | (20,868) |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expense / (Income) | (5,884) | (5,277) |
| Add: Tax effect on disallowance of expenses | - | - |
| Tax effect of: | | |
| Unused tax losses for which no deferred tax assets is recognised | (5,884) | (5,277) |
| Current Tax Provision (A) | - | - |
| Deferred Tax Provision (B) | - | - |
| Total Tax Expense / (Income) recognised in Statement of Profit and Loss (A+B) | - | - |

| 5 Trade Receivables | (Rs. in Million) | |
|---------------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| (Unsecured and considered good) | | |

| | | |
|-------------------|------------|------------|
| Trade Receivables | 153 | 153 |
| Total | 153 | 153 |

| 6 Cash and Cash Equivalents | (Rs. in Million) | |
|------------------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |

| | | |
|--|--------------|------------|
| Balances with Banks in Current Account | 2,864 | 446 |
| Fixed deposits with banks | 7,050 | - |
| Total | 9,914 | 446 |

| 7 Bank balances other than covered in Cash and Cash Equivalents | (Rs. in Million) | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |

| | | |
|---------------------------|----------|----------|
| Fixed Deposits with Banks | 3 | 3 |
| Total | 3 | 3 |

Fixed Deposits with Bank of Rs. 3 million (Previous year Rs. 3 million) have been pledged against bank guarantees issued to Government and other regulatory authorities.

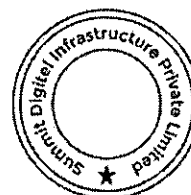
| 8 Other Financial Assets - Current | (Rs. in Million) | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |

| | | |
|---------------------------------|--------------|---------------|
| Deposit for capital expenditure | - | 16,000 |
| Other Receivables* | 4,531 | 8,099 |
| Total | 4,531 | 24,099 |

*Balance as on March 31, 2021 includes contractually reimbursable / receivable amount and balance as on March 31, 2020 includes contractually reimbursable / receivable amount and derivative assets.

| 9 Other Current Assets | (Rs. in Million) | |
|---------------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| (Unsecured and considered good) | | |

| | | |
|------------------------------|---------------|---------------|
| Balance with GST authorities | 9,276 | 19,624 |
| Advance to vendors | 2,313 | 2,929 |
| Total | 11,589 | 22,553 |



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

| 10 Share Capital | Particulars | (Rs. in Million) | |
|------------------|--|-------------------------|-------------------------|
| | | As at March 31, 2021 | As at March 31, 2020 |
| | Authorised Share Capital : | | |
| | 3,000,000,000 Equity Shares of Re.1 each | 3,000 | 3,000 |
| | 100,000,000 Preference Shares of Rs.10 each | 1,000 | 1,000 |
| | | 4,000 | 4,000 |
| | Issued, Subscribed and fully paid up: | | |
| | 2,150,000,000 Equity Shares of Re.1 each | 2,150 | 2,150 |
| | Total | 2,150 | 2,150 |

10.1 Terms, Rights and Restrictions attached to Equity Shares

The Company has only one class of Equity shares having face value of Re.1 each. Each holder of equity shares is entitled to one vote per share.

| 10.2 The reconciliation of the number of Equity shares outstanding is set out below: | (Rs.in Millions) | | | |
|--|----------------------|--------------|----------------------|--------------|
| | As at March 31, 2021 | | As at March 31, 2020 | |
| Particulars (No. of shares) | 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 | - | - | - | - |
| Total | 2,150 | 2,150 | 2,150 | 2,150 |

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

| Name of Shareholders | As at March 31, 2021 | | As at March 31, 2020 | |
|---|-------------------------------|--------|-------------------------------|--------|
| | No. of Shares (in Million) | % held | No. of Shares (in Million) | % held |
| Tower Infrastructure Trust (Holding entity along with nominee) (Refer Note below) | 2,150 | 100% | 1,097 | 51% |
| Reliance Industries Limited | - | - | 1,054 | 49% |

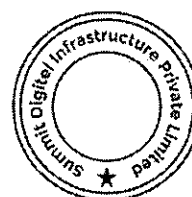
Note:

As on April 1, 2020, Tower Infrastructure Trust ("Holding Entity"/"Trust") held 51% of the equity shares 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 Ltd, Singapore.

As on March 31, 2021 the Trust owns 100% of the equity shares of the Company.

10.4 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 39) 2,000,000,000 equity shares of Re. 1 each were issued and allotted as fully paid, for consideration other than in cash, to Reliance Jio Infocomm Limited (RJIL) for the transfer and vesting of its Tower Undertaking.



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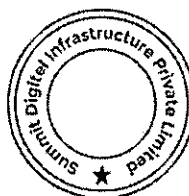
SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

| | | (Rs. in Million) | |
|---|--|-------------------------|-------------------------|
| 11 Other Equity | | | |
| Instrument classified as equity | | As at March 31, 2021 | As at March 31, 2020 |
| 10% Cumulative, Participating, Optionally Convertible Preference Shares Rs. 10 fully paid up (Refer Note 12 (iv), Note iv and v below) | | - | 500 |
| Reserves and Surplus | | | |
| Retained Earnings | | | |
| As per last Balance Sheet | | (21,001) | (33) |
| Loss for the year | | (23,380) | (20,968) |
| Other adjustments (Refer Note 12 (iv), Note i & ii Below) | | (8,114) | - |
| Balance at end of the year | | (52,495) | (21,001) |
| TOTAL | | (52,495) | (20,501) |

Notes:

- (i) The Company has recorded Net current liability of Rs. 8,505 Million towards the working capital adjustment payable to Reliance Jio Infocom 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 10.3. As at March 31, 2021, Net current liability of Rs. 4,681 Million was payable to Reliance Jio Infocom Limited ("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 in view of the the MCA Notification GSR574(E) dated August 16, 2019 that specifies DRR is not required to be created by a debt listed entity.
- (iv) **Terms, rights and restrictions attached to Preference Shares :**
5,00,00,000 10% Cumulative, Participating and Optionally Convertible Preference Shares are convertible into 10 (Ten) Equity Shares of Re.1 each for every 1 (One) Preference Share of Rs. 10 each at any time at the option of the Company but in any case not later than March 31, 2039 and in the event the shares are not converted, these will be redeemed at any time at the option of the Company at Rs. 10 each but not in any case later than March 31, 2039. The Preference Shares shall be entitled to the Surplus Assets either on winding up or liquidation or otherwise.
- (v) The reconciliation of the number of 10% Cumulative Optionally Convertible Preference Shares is set out below:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|--------|----------------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Preference shares at the beginning of the year | 5,00,00,000 | 500 | 5,00,00,000 | 500 |
| Add: Issue of Shares | - | - | - | - |
| Less: Reclassification due to Modification in terms ((Refer Note 12 (iv)) | (5,00,00,000) | (500) | - | - |
| Preference shares at the end of the year | - | - | 5,00,00,000 | 500 |



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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| 12 Borrowings | (Rs. in Million) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (I) Term Loans | | |
| (a) Secured: | | |
| (i) From banks | 62,115 | 53,334 |
| Less Unamortised finance cost | (1,714) | (166) |
| | 60,401 | 53,168 |
| (ii) From others | 3,000 | - |
| Less Unamortised finance cost | (36) | - |
| | 2,964 | - |
| (b) Unsecured: | | |
| (i) From banks | - | 56,666 |
| (ii) From Tower Infrastructure Trust (Refer Note 29) | 2,50,000 | - |
| (II) Redeemable Non Convertible Debentures (Secured) | 1,18,360 | 1,18,360 |
| (III) Non-cumulative Redeemable Preference shares | 126 | - |
| Total | 4,31,851 | 2,28,194 |

Year ended March 31, 2021

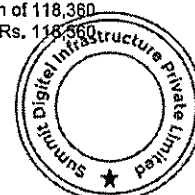
- (i) Secured Loans from Banks and Financial Institutions consist of:
- Rs. 14,115 million of loan, carrying interest rate of 1Y MCLR + 70bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022. In addition to the security disclosed in note (v) below, secured by a first charge by way of hypothecation on the Designated Accounts of the Borrower 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.
 - Rs. 6,000 million of loan, carrying interest rate of 1Y MCLR + 50bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
 - Rs. 8,000 million of loan, carrying interest rate of 1Y MCLR + 45 bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
 - Rs. 3,000 million of loan, carrying interest rate of 1Y MCLR + 75 bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
 - Rs. 6,000 million of loan, carrying interest rate of 1Y MCLR + 65 bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
 - Rs. 12,000 million of loan, carrying interest rate of 1Y MCLR + 75 bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022 for an amount equal to 2.5% of the total loan drawn down at the end of the Availability Period
 - Rs. 3,000 million of loan, carrying interest rate of 1Y BPLR + 195 bps repayable till September 01, 2032 in 40 consecutive quarterly instalments starting from December 2022.
 - Rs. 6,000 million of loan, carrying interest rate of 1Y MCLR + 35 bps repayable till September 01, 2032 in 40 equal consecutive quarterly instalments starting from December 2022.
 - Rs. 7,000 million of loan, carrying fixed interest rate of 6.15% for next 3 years and floating interest rate of 1Y MCLR + 75 bps thereafter until maturity repayable till September 01, 2032. The loan is repayable in 40 equal consecutive quarterly instalments starting from December 2022 for an amount equal to 2.5% of the total loan drawn down at the end of the availability period.
- If any of the above facilities is not availed fully then the repayment instalment shall be proportionately reduced.
- (ii) Unsecured Loan from Tower Infrastructure Trust:
- 2,50,000 Million of shareholder loan carrying interest rate of 9.5% repayable in 108 equal consecutive quarterly instalments commencing on September 01, 2023. Under the terms of this loan, the rate of interest increases to 15% after certain operational thresholds are met. These thresholds were met on 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 in the Company.
- (iii) Secured Redeemable Non-Convertible Debentures consist of:
- 118,360(SBI 1Y MCLR + 0.97%) Secured redeemable Non-Convertible Debentures (NCD – Series PPD 5) of face value of Rs.1,000,000 each redeemable at par, on or before August 31, 2032. The debentures are redeemable at par in 40 equal quarterly consecutive instalments of INR 2,950 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 after the expiry of 6 months but prior to 2 years from the date of issue. The terms of the NCD also give an option to the Company for early redemption on maximum 20,000 NCDs at par and until expiry of 6 months from date of issue.

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



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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- (iv) The Company had outstanding 50,000,000 Cumulative, Participating, Optionally Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 500,000,000 as on April 1, 2020 held by Reliance Industries Limited. With effect from August 21, 2020, the terms of the Cumulative, Participating, Optionally Convertible Preference Shares of Rs. 10/- each were amended to Redeemable, Non-Participating, Non-Cumulative, Non-Convertible Preference Shares of Rs. 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 reclassified as a liability and have been recognised at the present value of redemption amounting to Rs. 126 Million as on March 31, 2021.
- (v) 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.)

Year ended March 31, 2020

- (i) Secured Loans from Banks consist of:
Rs.6,667 million of loan, (Previous year was Rs. 10,000 Million) of loan, carrying interest rate of 8.75% p.a. repayable in 12 quarterly instalments starting from June 2019, transferred from RJIL, pursuant to Composite Scheme of Arrangement approved by NCLT with effect from March 31, 2019. The registration of charges in respect of the said loan in the name of the Group will be carried out on March 30, 2020. Consequently, the said loan is secured by the floating charge by way of hypothecation of movable property and book debts of the Company.
Loan of Rs.30,000 million carrying interest rate of 8.65% p.a. repayable after 2 years, secured by First Pari Passu Charge by way of hypothecation on all fixed assets and current assets (present and future) of the Company excluding Cash and Investments from non-operating activities. Further Reliance Industries Limited (RIL) has provided an undertaking for the loan.
Loan of Rs.20,000 Million carrying interest rate of 8.75% p.a. repayable over a period of 12 years including moratorium of 2 years, secured by First Pari Passu Charge by way of hypothecation on all fixed assets and current assets (present and future) of the Company. Further Reliance Industries Limited (RIL) has provided an undertaking for the loan.
- (ii) Unsecured Loans from Banks consist of:
Loan of Rs.13,333 million carrying interest rate of 8.75% p.a. repayable in 3 equated yearly instalments, starting from September 2019.
Loan of Rs.50,000 million carrying interest rate of 8.50% p.a.
- (iii) Payment obligations under Unsecured Loans referred to in (ii) above to the extent of Rs.50,000 million is guaranteed by Reliance Industries Limited.
- (iv) Non-Convertible Debentures consist of:
1,18,360 9.00% Non-Convertible Debentures – Series II (NCD – Series II) of face value of Rs.1,000,000 each, aggregating to Rs.118,360 million redeemable at par on or before March 31, 2029 at the option of the company.

13 Provisions (Rs. in Million)

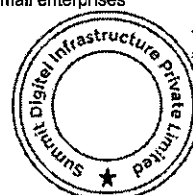
| Particulars | As at | | As at | |
|--|----------------|----------|----------------|----------|
| | March 31, 2021 | Current | March 31, 2020 | Current |
| Asset Retirement Obligation (Refer Note 27) | 11,234 | - | 10,854 | - |
| Provisions for gratuity and leave encashment | 1 | 4 | - | - |
| Total | 11,235 | 4 | 10,854 | - |

14 Borrowings - Current (Rs. in Million)

| Particulars | As at | | As at | |
|-------------------------------------|----------------|----------|----------------|---------------|
| | March 31, 2021 | Current | March 31, 2020 | Current |
| Term loans (Unsecured): from others | - | - | - | 30,050 |
| Total | - | - | - | 30,050 |

15 Trade Payables (Rs. in Million)

| Particulars | As at | | As at | |
|--|----------------|----------|----------------|--------------|
| | March 31, 2021 | Current | March 31, 2020 | Current |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 26) | 0 | - | 0 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,945 | - | 1,945 | 3,059 |
| Total | 1,945 | - | 1,945 | 3,059 |

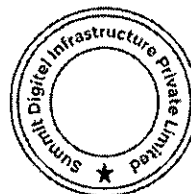


SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

| | | (Rs. in Million) | |
|--|-------------------------|-------------------------|--|
| 16 Other Financial Liabilities | | | |
| Particulars | As at March 31, 2021 | As at March 31, 2020 | |
| Current maturities of long term debt (Secured) | - | 3,333 | |
| Current maturities of long term debt (Unsecured) | - | 6,667 | |
| Interest accrued but not due | 4,029 | 11,908 | |
| Security Deposit | 10,173 | 13,250 | |
| Others* | 506 | 35,984 | |
| Total | 14,708 | 71,142 | |

*The figures of March 31, 2020 includes derivative liability and deposit payable on demand.

| | | (Rs. in Million) | |
|--|-------------------------|-------------------------|--|
| 17 Other Current Liabilities | | | |
| Particulars | As at March 31, 2021 | As at March 31, 2020 | |
| Other liabilities payable (Refer Note 11 (i)) | 4,681 | - | |
| Statutory liabilities payable (Provident fund and GST) | 141 | 1,387 | |
| Total | 4,822 | 1,387 | |



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SUMMIT DIGITEL INFRASTRUCTURE PRIVATE LIMITED
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| 18 Revenue from Operations (Rs. in Million) | | |
|---|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Sale of Services (Refer Note below and Note 36) | 82,442 | 74,767 |
| Total | 82,442 | 74,767 |

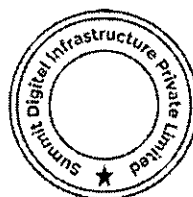
Note:

During the year ended on March 31 2021, the Company revised the presentation of income from reimbursements of Power & Fuel and Site Rent, to present these as part of Revenue from Operations, as these more appropriately reflect the substance of the transactions wherein the Company provides these services as a principal. Previously, these were presented net as a recovery under Network Operating Expenses. The change in presentation has been applied retrospectively to March 2020 and accordingly, an amount of Rs. 41,363 million has been re-presented and included under Revenue from Operations for the year ended year ended March 31 2020. The above change in presentation does not affect Total Loss, Total Comprehensive Loss and the Loss per share for the previous period presented.

| 19 Other Income (Rs. in Million) | | |
|---------------------------------------|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest on income tax refund | 40 | 6 |
| Interest income on fixed deposits | 64 | - |
| Net Gain on sale of investments (net) | 49 | 119 |
| Total | 153 | 125 |

| 20 Network Operating Expenses (Rs. in Million) | | |
|--|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Power and Fuel (Refer Note 18) | 33,108 | 28,628 |
| Rent (Refer Note 18) | 13,241 | 12,735 |
| Repairs and Maintenance | 5,011 | 4,492 |
| Other Network Cost | - | 23 |
| Total | 51,360 | 45,878 |

| 21 Employee Benefits Expense (Rs. in Million) | | |
|--|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Salaries and Wages | 158 | 1 |
| Contribution to Provident Fund and Other Funds (Refer Note 28) | 4 | 0 |
| Staff Welfare Expenses | 1 | 0 |
| Gratuity (Refer Note 28) | 1 | - |
| Total | 164 | 1 |



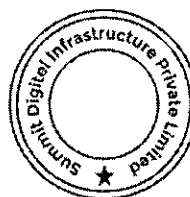
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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

| 22 Finance Costs | | (Rs. in Million) | |
|---|------------------------------|------------------------------|--|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 | |
| Interest Expenses | 33,831 | 30,706 | |
| Exchange loss (attributable to finance costs) | 409 | 1,073 | |
| Other borrowing cost | 346 | 161 | |
| Interest on lease | 4 | - | |
| Total | 34,590 | 31,940 | |

| 23 Depreciation and Amortisation Expense | | (Rs. in Million) | |
|---|------------------------------|------------------------------|--|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 | |
| Depreciation on Property, Plant and Equipment | 19,543 | 17,778 | |
| Depreciation on Right to Use Assets | 17 | 6 | |
| Total | 19,560 | 17,784 | |

| 24 Other Expenses | | (Rs. in Million) | |
|-------------------------------------|------------------------------|------------------------------|--|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 | |
| Rates and taxes | 18 | 6 | |
| Professional Fees | 134 | 40 | |
| Payment to Auditors (Refer Note 35) | 11 | 8 | |
| Traveling expenses | 3 | - | |
| Legal Fees | 18 | 176 | |
| General Expenses | 117 | 27 | |
| Total | 301 | 257 | |



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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Notes forming part of the Financial Statements for the year ended March 31, 2021

| 25 EARNINGS PER SHARE (EPS) | Rs. in Million except per share data | |
|---|--------------------------------------|----------------|
| | Year ended | Year ended |
| | March 31, 2021 | March 31, 2020 |
| Particulars | | |
| i. Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders | (23,380) | (20,968) |
| Less: Dividend on Cumulative Preference Shares | - | (50) |
| Earnings attributable to Equity Share holders (Rs. in Million) | (23,380) | (21,018) |
| ii. Weighted Average number of equity shares used as denominator for calculating Basic EPS | 2,150 | 2,150 |
| iii. Basic Earnings per share (Rs.) | (10.87) | (9.78) |
| iv. Diluted Earnings per share (Rs.) (refer Note below) | (10.87) | (9.78) |
| v. Face Value per equity share (Re.) | 1 | 1 |

Note: For the year ended March 2020, the effect of weighted average potential Equity shares 500,000,000 to be issued at the time of conversion of optionally convertible preference shares is anti-dilutive in nature and hence not considered in calculation of dilutive earnings per share.

26 Dues to micro, small & medium enterprises as defined under the MSMED Act, 2006

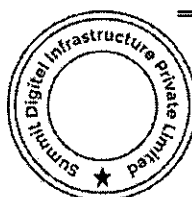
The Company does not have any over dues outstanding to the micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. The identification of micro and small enterprises is based on information available with the management.

| Particulars | (Rs. in Million) | |
|--|------------------|----------------|
| | As at March 31 | As at March 31 |
| | 2021 | 2020 |
| a Principal amount overdue to micro and small enterprises | - | - |
| 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. | - | - |

27 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) | | (Rs. in Million) | |
|--|------------|------------------|----------------|
| Particulars | Year ended | Year ended | |
| | | March 31, 2021 | March 31, 2020 |
| At beginning of the year | | 10,854 | 7,414 |
| Provided during the year | | 380 | 3,440 |
| At end of the year | | 11,234 | 10,854 |



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
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- 28 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 :

| Particulars | (Rs. in Million) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Employer's Contribution to Provident Fund | 4 | - |
| Employer's Contribution to Pension Fund | - | - |

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

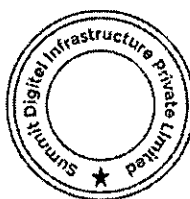
| I) Reconciliation of opening and closing balances of Defined Benefit Obligation | | (Rs. in Million) |
|---|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Defined Benefit obligation at beginning of the year | - | - |
| Add : Transfers | - | - |
| Current Service Cost | 1 | - |
| Interest Cost | - | - |
| Actuarial (gain) / loss | - | - |
| Business Transfer | - | - |
| Defined Benefit obligation at year end | 1 | - |

| II) Reconciliation of fair value of assets and obligations | | (Rs. in Million) |
|--|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Fair value of Plan assets | - | - |
| Present value of obligation | 1 | - |
| Amount recognised in Balance Sheet | 1 | - |

| III) Expenses recognised during the year | | (Rs. in Million) |
|--|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Current Service Cost | 1 | - |
| Interest Cost | - | - |
| Actuarial (gain) / loss | - | - |
| Net Cost | 1 | - |

| IV) Actuarial assumptions | | (Rs. in Million) |
|--|------------------------|------------------------|
| Particulars | As at March 31 2021 | As at March 31 2020 |
| Mortality Table | IALM (2012-14) | - |
| Withdrawal rate | Ultimate | - |
| Retirement age (Years) | 10% | - |
| | 65 | - |
| Discount rate (per annum) | 6.41% | - |
| Rate of escalation in salary (per annum) | 8.00% | - |

| V) Maturity Profile | | (Rs. in Million) |
|--|------------------------|------------------------|
| Particulars | As at March 31 2021 | As at March 31 2020 |
| Average Expected Future Working life (Years) | 8.73 | - |
| Expected future cashflows | | |
| Year 1 | 0.01 | - |
| Year 2 | 0.01 | - |
| Year 3 | 0.01 | - |
| Year 4 | 0.01 | - |
| Year 5 | 0.43 | - |
| Year 6 to year 10 | 0.52 | - |
| Above 10 Years | 0.56 | - |



SUMMIT DIGITEL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
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| VI) Sensitivity Analysis | | (Rs. in Million) | |
|---|------------------------|------------------------|--|
| Particulars | As at March 31 2021 | As at March 31 2020 | |
| Discount rate | | | |
| a. Discount rate - 100 basis points (Rs. 12,80,361) | 1 | - | |
| a. Discount rate - 100 basis points impact (%) | 9.78% | - | |
| b. Discount rate + 100 basis points (Rs. 10,66,163) | 1 | - | |
| b. Discount rate + 100 basis points impact (%) | (8.59%) | - | |
| Salary increase rate | | | |
| a. rate - 100 basis points | 1 | - | |
| a. rate - 100 basis points impact (%) | (8.54%) | - | |
| b. rate + 100 basis points | 1 | - | |
| b. rate + 100 basis points impact (%) | 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.

29 RELATED PARTY DISCLOSURES

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

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

(i) Name of Related Party

Ultimate Holding Company

Brookfield Asset Management (from August 31, 2020)

Entity which exercises control on the Company

Tower Infrastructure Trust

Members of same group w.e.f. August 31, 2020

BIF IV Jarvis India Pte Ltd, Singapore
Equinox Business Parks Private Limited
Vrihis Properties Private Limited (Brookfield Real Estate)
Schloss Udaipur Private Limited
Schloss Chennai Private Limited
Schloss Chanakya Private Limited

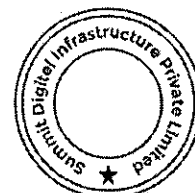
Key Managerial Personnel

Ratnesh Rukhariyar (Resigned w.e.f. August 31, 2020)
Venkataraman Ramachandran (Resigned w.e.f. August 31, 2020)
Thriveni Shetty (Resigned w.e.f. August 31, 2020)
Mihir Anil Nerurkar (Appointed w.e.f. August 31, 2020)
Jeffrey Wayne Kendrew (Appointed w.e.f. August 31, 2020)
Arpit Agrawal (Appointed w.e.f. August 31, 2020)

Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director



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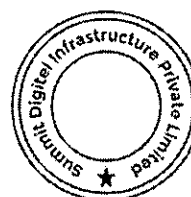


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| | |
|--|---|
| Dhananjay Joshi (Appointed w.e.f. September 01, 2020) | Managing Director and Chief Executive Officer |
| Rishi Tibriwal (Appointed w.e.f. September 01, 2020) | Chief Financial Officer |
| Vijay Kumar Sharma (Resigned w.e.f. September 24, 2020) | Company Secretary |
| 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

| | | (Rs. in Million) | |
|--|---|---------------------------|---------------------------|
| Particulars | Relationship | Year ended March 31, 2021 | Year ended March 31, 2020 |
| 1 Loan Taken Tower Infrastructure Trust | Entity which exercises control on the company | 2,50,000 | - |
| 2 Interest expense Tower Infrastructure Trust | Entity which exercises control on the company | 13,860 | - |
| 3 Working Capital adjustment | Refer Note 11(i) | 8,505 | - |
| 4 Payment to Key Managerial Personnel Vijay Kumar Sharma (Resigned w.e.f. September 24, 2020) | | - | 3 |
| Dhananjay Joshi (Appointed w.e.f. September 01, 2020) | | 13 | - |
| Priyadarshi Sidhartha (Appointed w.e.f. September 25, 2020 and Resigned w.e.f. January 31, 2021) | | 2 | - |
| Chandra Kant Sharma (Appointed w.e.f. February 1, 2021) | | 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 | 5 | - |
| Vrihis Properties Private Limited (Brookfield Real Estate) | Members of same group | 12 | - |
| Schloss Udaipur Private Limited | Members of same group | 1 | - |
| Schloss Chennai Private Limited | Members of same group | 2 | - |
| Schloss Chanakya Private Limited | Members of same group | 1 | - |



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

(iii) Balance as at year ended

(iii) Balance as at year ended

| | | (Rs. in Million) | | |
|-------|---|---|-------------------------|-------------------------|
| Sr No | Particulars | Relationship | As at March 31, 2021 | As at March 31, 2020 |
| 1 | Equity Share Capital Tower Infrastructure Trust | Entity which exercises control on the Company | 2,150 | - |
| 2 | Loan Payable Tower Infrastructure Trust | Entity which exercises control on the company | 2,50,000 | - |
| 3 | Receivable Equinox Business Parks Private Limited | Members of same group | 14 | - |
| 4 | Payable Vrihls Properties Private Limited (Brookfield Real Estate) | Members of same group | 0 | - |
| | Schloss Chennai Private Limited | Members of same group | 0 | - |
| | Schloss Chanakya Private Limited | Members of same group | 0 | - |
| | Tower Infrastructure Trust Interest Payable | Entity which exercises control on the Company | 3,494 | - |

Compensation of Key Management Personnel

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

| (Rs. in Million) | | |
|------------------------------|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| i) Short-term benefits | 15 | 3 |
| ii) Post employment benefits | - | - |
| | 15 | 3 |

30 CONTINGENT LIABILITIES AND COMMITMENTS

(i) **Contingent Liabilities**

Municipal Tax

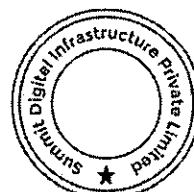
The Company based on its assessment of the applicability and tenability of certain municipal taxes, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

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**

| (Rs. in Million) | | |
|---|------------------------------|------------------------------|
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Estimated amount of contracts remaining to be executed on Capital account not provided for | 74,809 | 11,475 |
| Other Commitments related to bank guarantee | 36 | - |

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.



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

- 31 Arrears of fixed cumulative dividend on Optionally Convertible Preference Shares classified as 'Other Equity' Rs. Nil (March 31 2020: Rs. 50 million).

32 Capital Management

The Company adheres to a Disciplined Capital Management framework, the pillars of which are as follows:

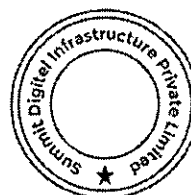
- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain AAA rating by ensuring that the financial strength of the Balance Sheet is preserved.
- Manage financial market risks arising from foreign exchange and interest rates, and minimise the impact of market volatility on earnings.

Gearing Ratio

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

| Particulars | (Rs. in Million) | |
|---------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Gross Debt | 4,31,851 | 2,68,244 |
| Cash and bank balance | (9,914) | (446) |
| Net debt (A) | 4,21,937 | 2,67,798 |
| Total Equity (B) | (50,345) | (18,351) |
| Net debt to equity ratio (A/B)* | - | - |

*Net debt to equity ratio is not calculated as the total equity value are negative.



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SUMMIT DIGITEL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

33 FINANCIAL INSTRUMENTS

A. FAIR VALUE MEASUREMENT HIERARCHY:

(Rs. in Million)

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|-----------------------------------|----------------------|------------------------|---------|----------------------|------------------------|---------|
| | Carrying Amount | Level of input used in | | Carrying Amount | Level of input used in | |
| | | Level 1 | Level 2 | | Level 1 | Level 2 |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| Trade Receivables | 153 | - | - | 153 | - | - |
| Cash and Bank Balances | 9,917 | - | - | 449 | - | - |
| Other Financial Assets | 9,102 | - | - | 26,472 | - | - |
| At FVTPL | | | | | | |
| Other receivables | - | - | - | 699 | - | 699 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| Borrowings | 4,31,851 | - | - | 2,68,244 | - | - |
| Trade Payables | 1,945 | - | - | 3,059 | - | - |
| Other Financial Liabilities | 14,708 | - | - | 61,142 | - | - |
| Creditors for Capital Expenditure | - | - | - | 1,14,610 | - | - |

The financial instruments are categorized 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.

Valuation methodology:

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

- The fair value of investment in Mutual Funds is measured at NAV.
- The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates at the balance sheet
- 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.

B. 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 forward 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.

(Rs. in Million)

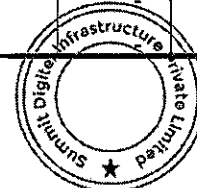
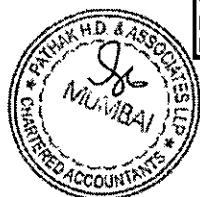
| Particulars | Foreign Currency | |
|-----------------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Creditors for capital expenditure | - | 23,620 |
| Forward | - | 23,599 |
| Net Exposure | - | 21 |

There were no derivative contracts outstanding as on March 31, 2021

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

(Rs. in Million)

| Particulars | Foreign Currency | |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| 1% Depreciation in INR | - | (0) |
| Impact on Equity | - | - |
| Impact on P&L | - | (0) |
| 1% Appreciation in INR | - | 0 |
| Impact on Equity | - | 0 |
| Impact on P&L | - | 0 |



SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infrate] Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

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:

| Particulars | Interest Rate Exposure | |
|---|------------------------|-----------------|
| | March 31, 2021 | March 31, 2020 |
| Borrowings | | |
| Non-Current - Floating (Includes Current Maturities)* | 1,81,725 | 1,19,834 |
| Non-Current - Fixed (Includes Current Maturities) | 2,50,126 | 1,18,360 |
| Current - Fixed | - | 30,050 |
| Total | 4,31,851 | 2,68,244 |

*Includes Rs.1,750 million (March 31 2020: 166 Million) as Prepaid Finance Charges and Rs.7,000 Million pertaining to term loan with a fixed interest rate for next 3 years.

Fair value sensitivity analysis for fixed-rate borrowings:

Sensitivity analysis of 1% (floating rate borrowings) change in Interest rate:

| Particulars | Interest Rate Sensitivity as at | | | |
|---------------------|---------------------------------|-----------|---------------|-----------|
| | March 31 2021 | | March 31 2020 | |
| | Up Move | Down Move | Up Move | Down Move |
| Total Impact | (1,817) | 1,817 | (1,198) | 1,198 |
| Impact on Equity | - | - | - | - |
| Impact on P&L | (1,817) | 1,817 | (1,198) | 1,198 |

ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

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 through advance payments.

iii) Liquidity Risk

Liquidity risk arises from the Company's inability to 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 and a mix of currencies 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.

Maturity Profile as at March 31, 2021

| Particulars | 0-1 Years | 1-3 Years | 3-5 Years | Above 5 years | Total |
|-------------------------------------|---------------|---------------|---------------|-----------------|-----------------|
| Trade Payable (Refer Note 15) | 1,945 | - | - | - | 1,945 |
| Creditors for Capital Expenditure | - | - | - | - | - |
| Other Current Financial Liabilities | 14,708 | - | - | - | 14,708 |
| Borrowings* (Refer Note 12 and 14) | - | 27,025 | 61,325 | 3,43,501 | 4,31,851 |
| Total | 16,653 | 27,025 | 61,325 | 3,43,501 | 4,48,504 |

*Includes Rs.1,750 million as Prepaid Finance Charges.

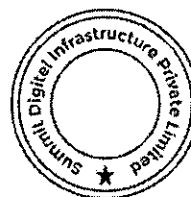
Maturity Profile as at March 31, 2020

| Particulars | 0-1 Years | 1-3 Years | 3-5 Years | Above 5 years | Total |
|-------------------------------------|-----------------|---------------|---------------|-----------------|-----------------|
| Trade Payable (Refer Note 15) | 3,059 | - | - | - | 3,059 |
| Creditors for Capital Expenditure | 1,14,610 | - | - | - | 1,14,610 |
| Other Current Financial Liabilities | 61,142 | - | - | - | 61,142 |
| Borrowings* (Refer Note 12 and 14) | 40,050 | 43,000 | 54,000 | 1,31,360 | 2,68,410 |
| Total | 2,18,861 | 43,000 | 54,000 | 1,31,360 | 4,47,221 |

*Includes Rs. 166 Million as Prepaid Finance Charges.

34 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 (Refer note 18).



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

| (Rs. in Million) | | |
|-------------------------------|---------------------------------|---------------------------------|
| 35 PAYMENT TO AUDITORS | | |
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Audit Fees | 8 | 5 |
| Tax audit Fee | 1 | 1 |
| For Other Services | 2 | 2 |
| Total | 11 | 8 |

36 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

| (Rs. in Million) | | |
|--|---------------------------------|---------------------------------|
| Revenue by nature: | | |
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Infrastructure Provisioning Fees (Including reimbursement of power and fuel and site rent) | 82,442 | 74,767 |

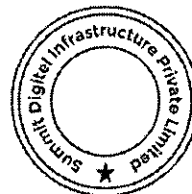
Note: The Company derives its revenue from the transfer of services over time.
The Company has entered into a 30 year master service agreement with its customer pursuant to which the Company provides the Passive Infrastructure and related services. Revenue related to the same will be accrued as services are provided.

| (Rs. in Million) | | |
|--|---------------------------------|---------------------------------|
| B. Reconciliation of revenue recognised | | |
| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Contracted price | 83,712 | 74,767 |
| Less: Discounts to customers | (1,270) | - |
| Net Revenue recognised | 82,442 | 74,767 |

C. Transaction price allocated to unsatisfied performance obligations as at 31 March 2021 – Rs. Nil.

| (Rs. in Million) | | |
|-----------------------------|----------------------------|----------------------------|
| D. Contract balances | | |
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Unbilled Receivables | 4,522 | 7,400 |

37 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.



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SUMMIT DIGITAL INFRASTRUCTURE PRIVATE LIMITED
(formerly known as Reliance Jio Infratel Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2021

38 Disclosures under Listing Agreement for Debt Securities

a Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Debenture Trustees:

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
29 Senapati Bapat Marg,
Dadar west, Mumbai – 400 028
Email: debenturetrustee@axis trustee.in
Web: www.axis trustee.in

b Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| Related Party transactions | March 31 2021 | March 31 2020 |
|---|------------------|------------------|
| Loans and advances in the nature of loans to subsidiaries | - | - |
| Loans and advances in the nature of loans to associates | - | - |
| Loans and advances in the nature of loans to firms/companies in which directors are interested | - | - |
| Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan | - | - |
| | - | - |


39 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, Leasehold Land, Land reflected in Right of Use Assets and Building in its name.

40 APPROVAL OF FINANCIAL STATEMENTS

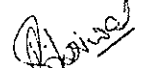
The financial statements were approved for issue by the Board of Directors on June 03, 2021.

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

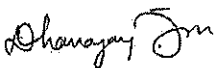


Mihir Anil Nerurkar
Director
(DIN:02038842)

Date: June 03, 2021
Place: Mumbai


Rishi Tibriwaj
Chief Financial Officer
PAN: AAAPT5595R

Date: June 03, 2021
Place: Canada

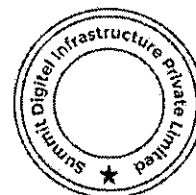


Dhananjay Joshi
Managing Director and Chief Executive Officer
(DIN: 09096270)

Date: June 03, 2021
Place: Bangalore


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

Date: June 03, 2021
Place: Mumbai



RELIANCE JIO INFRATEL PRIVATE LIMITED

Balance Sheet as at 31st March, 2020.

| Particulars | Notes | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|---|-------|---------------------------|--|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 1 | 387,383 | 248,208 |
| Capital work in progress | 1 | - | 80,152 |
| Financial Assets | | | |
| Other Financial Assets | 2 | 3,072 | 2,726 |
| Other Non-Current Assets | 3 | 3,236 | 2,615 |
| Total Non-Current Assets | | 393,691 | 333,701 |
| CURRENT ASSETS | | | |
| Financial Assets | | | |
| Investments | 4 | - | 145 |
| Trade Receivables | 5 | 153 | 310 |
| Cash and Cash Equivalents | 6 | 446 | 3 |
| Other Bank balances | 7 | 3 | - |
| Other Financial Assets | 8 | 24,099 | 15,000 |
| Other Current Assets | 9 | 22,553 | 18,954 |
| Total Current Assets | | 47,254 | 34,412 |
| Total Assets | | 440,945 | 368,113 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 10 | 2,150 | 2,150 |
| Other Equity | 11 | (20,501) | 467 |
| Total Equity | | (18,351) | 2,617 |
| LIABILITIES | | | |
| Non - Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 12 | 228,194 | 188,360 |
| Provisions | 13 | 10,854 | 7,414 |
| Total Non-Current Liabilities | | 239,048 | 195,774 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | 30,050 | 29,650 |
| Trade Payables | 15 | | |
| total outstanding dues of micro enterprises and small enterprises | | - | 0 |
| total outstanding dues of creditors other than micro enterprises and small enterprises. | | 3,059 | 3,111 |
| Other Financial Liabilities | 16 | 71,142 | 12,164 |
| Creditors for Capital Expenditure | | 114,610 | 124,770 |
| Other Current Liabilities | 17 | 1,387 | 27 |
| Total Current Liabilities | | 220,248 | 169,722 |
| Total Liabilities | | 459,296 | 365,496 |
| Total Equity and Liabilities | | 440,945 | 368,113 |

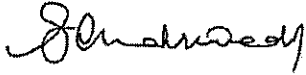
Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 36

As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



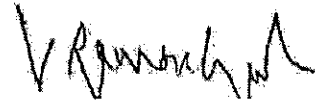
Gopal Chaturvedi
Partner
Membership No. 090903

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W



Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa

RELIANCE JIO INFRATEL PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March , 2020

(Rs. Million)

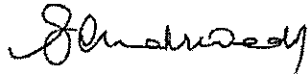
Particulars

| | Notes | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--------------|--|--|
| INCOME | | | |
| Revenue from Operations | 18 | 33,404 | - |
| Other Income | 19 | 125 | 5 |
| Total Income | | 33,529 | 5 |
| EXPENSES | | | |
| Network Operating Expenses | 20 | 4,515 | - |
| Employee Benefits Expense | 21 | 1 | - |
| Finance Costs | 22 | 31,940 | - |
| Depreciation and Amortisation Expense | 1 | 17,784 | - |
| Other Expenses | 23 | 257 | 32 |
| Total Expenses | | 54,497 | 32 |
| Loss before tax | | (20,968) | (27) |
| Tax Expenses | 3.1 | - | - |
| Loss for the year | | (20,968) | (27) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Loss for the year | | (20,968) | (27) |
| EARNING PER EQUITY SHARE OF FACE VALUE OF Re. 1 EACH | | | |
| Basic and Diluted (in Rupees) | 24 | (9.78) | (1.61) |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | | | |

1 to 36

As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



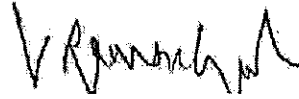
Gopal Chaturvedi
Partner
Membership No. 090903

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W



Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa

RELIANCE JIO INFRATEL PRIVATE LIMITED

Statement of changes in Equity for the year ended 31st March, 2020

| (A) Equity Share Capital | (Rs. Million) | |
|---|--|--|
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Balance at the beginning of the year | 2,150 | 10 |
| Changes in equity share capital during the year | - | 2,140 |
| Balance at the end of the year | <u>2,150</u> | <u>2,150</u> |

| (B) Other Equity Particulars | (Rs. Million) | | |
|---|--|---|-----------------|
| | Instrument classified as Equity: 10% Cumulative optionally convertible Preference Share Capital Fully paid up | Reserves and Surplus: Retained Earnings | Total |
| As on March 31, 2019 | | | |
| Balance at the beginning of the year i.e. 1st April, 2018 | - | (6) | (6) |
| Total Comprehensive Loss for the year | - | (27) | (27) |
| Preference Shares Issued | 500 | - | 500 |
| Balance at the end of the year i.e. March 31, 2019 | <u>500</u> | <u>(33)</u> | <u>467</u> |
| As on March 31, 2020 | | | |
| Balance at the beginning of the year i.e. 1st April, 2019 | 500 | (33) | 467 |
| Total Comprehensive Loss for the year | - | (20,968) | (20,968) |
| Preference Shares Issued | - | - | - |
| Balance at the end of the year i.e. March 31, 2020 | <u>500</u> | <u>(21,001)</u> | <u>(20,501)</u> |

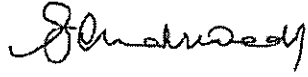
Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 36




As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



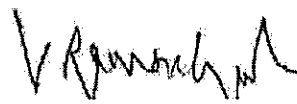
Gopal Chaturvedi
Partner
Membership No. 090903

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W



Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa

RELIANCE JIO INFRATEL PRIVATE LIMITED

(Rs. Million)

Statement of cash Flows for the year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:

For the year
31st March, 2020 For the year
31st March, 2019

| | | |
|---|---------------|------------|
| Net Loss before tax as per Statement of Profit and Loss | (20,968) | (27) |
| Adjusted for | | |
| Fees for increase in authorised capital | - | 25 |
| Depreciation and Amortisation Expense | 17,784 | |
| Gain on Investments (Net) | (119) | (1) |
| Finance Costs | 31,940 | - |
| | 49,605 | 24 |
| Operating profit before working capital changes | 28,637 | (3) |
| Adjusted for : | | |
| Trade and Other Receivables | (11,184) | (1) |
| Trade and Other Payables | 13,324 | 6 |
| | 2,140 | 5 |
| Cash Generated from Operations | 30,777 | 2 |
| Less: Taxes paid | (701) | - |
| | 30,076 | 2 |

B CASH FLOW FROM INVESTING ACTIVITIES:

| | | |
|---|-----------------|--------------|
| Purchase of Property, Plant and Equipment | (84,639) | - |
| Purchase of Investments | (166,930) | (200) |
| Sale of Investments | 167,194 | 56 |
| Fixed Deposits with Banks | (6) | - |
| | (84,381) | (144) |

C CASH FLOW FROM FINANCING ACTIVITIES:

| | | |
|---------------------------------------|---------------|------------|
| Proceeds from Equity Shares | - | 140 |
| Proceed Term Borrowings - Non-Current | 50,000 | - |
| Repayment of Borrowings - Non-Current | (10,000) | - |
| Proceed Term Borrowings - Current | 38,312 | - |
| Repayment of Borrowings - Current | (37,912) | - |
| Deposit received* | 35,940 | - |
| Finance Costs Paid | (21,592) | - |
| | 54,748 | 140 |

Net Cash flow from financing activities (C)

| | | |
|---|-----|-----|
| Net Increase in Cash and Cash Equivalents (A+B+C) | 443 | (2) |
| Opening Balance of Cash and Cash Equivalents | 3 | 5 |
| Closing Balance of Cash and Cash Equivalents (Refer Note 6) | 446 | 3 |

Changes in Liability arising from financing activities

(Rs. Million)

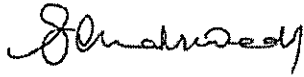
| | As at 1st April, 2019 | Cash Flow | Non Cash Unamortised prepaid finance charges | As at 31st March 2020 |
|--|--------------------------|---------------|---|--------------------------|
| Borrowings (Refer Note - 12) | 198,360 | 40,000 | (166) | 238,194 |
| Borrowings - Current (Refer Note - 14) | 29,650 | 400 | - | 30,050 |
| Total | 228,010 | 40,400 | (166) | 268,244 |

| | As at 1st April, 2018 | Cash Flow | Non Cash Transfer on account of slump sale | As at 31st March 2019 |
|--|--------------------------|-----------|---|--------------------------|
| Borrowings (Refer Note - 12) | - | - | 198,360 | 198,360 |
| Borrowings - Current (Refer Note - 14) | - | - | 29,650 | 29,650 |
| Total | - | - | 228,010 | 228,010 |

* and outstanding

As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



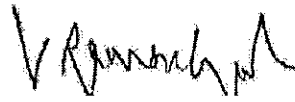
Gopal Chaturvedi
Partner
Membership No. 090903

For Deloitte Haskins & Sells
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Firm Regn No: 117364W

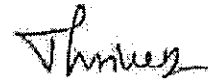


Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

A CORPORATE INFORMATION

Reliance Jio Infratel Private Limited ("the Company") is a private limited company incorporated in India. The Company, pursuant to a Scheme of Arrangement, acquired the Tower Infrastructure Undertaking of Reliance Jio Infocomm Limited (RJIL) for a lump sum consideration, w.e.f. the appointed date of March 31, 2019 (Refer note 33). The Company is engaged in the business of providing tower infrastructure and related operations and maintenance services in India. The registered office address is 101, Saffron, Near Centre Point, Panchawati 5 Rasta, Ambawadi, Ahmedabad, Gujarat – 380006, India.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value:

i. Certain Financial Assets and Liabilities (including derivative instruments).

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('IndAS'), including the Rules notified under the relevant provisions of the Companies Act, 2013.

The Company has applied Indian Accounting Standard (Ind AS) 116 Leases, to its leases using prospective approach, effective annual reporting period beginning 1st April 2019 and applied the standard to its leases from this date.

The Company's Financial Statements are presented in Indian Rupees (Rs), which is also its functional currency and all values are rounded to the nearest million (Rs 000,000), except when otherwise indicated.

B.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 Companies Act, 2013.

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 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 costs 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 Company and the cost can be measured reliably.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

Depreciation on Plant and Equipment and building is provided using straight-line method based on estimated useful life of 20 years. The estimated useful life is different from the useful life as prescribed under Schedule II to the Companies Act, 2013 and in the opinion of the Company this represents the best estimate thereof on the basis of technical evaluation, actual usage period and operations and maintenance arrangement with a vendor. Leasehold improvements are amortised over the period of lease or useful life whichever is less.

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.

(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 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 recognizes 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 recognizes 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 recognized 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 Agreement with its customer 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 amortized 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 regarding whether it will exercise an extension or a termination option.

(d) Finance Costs

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 in the period in which they are incurred.



RELiance JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

(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 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:

Asset Retirement Obligation (ARO) is provided for where the Company has an obligation to restore the rented premises at the end of the period in a condition similar to inception of the arrangement.

The obligation arising on account of such costs are provided at present value of future restoration and dismantling costs and are recognised as part of the cost of underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(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 life time 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 recognized 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 for the period comprises 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 other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet 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 income tax assets on carry forward losses is recognised based on convincing evidence where it is reasonably certain that sufficient taxable profits will be available to utilise those losses. Deferred tax assets are recognised to the extent 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 utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(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.



RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

(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 Translations

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 capitalized 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 profit or loss are also recognised in OCI or Statement of profit or loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. 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) primarily from providing passive infrastructure and related services. Revenue is recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. IP Fees are recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master services agreement entered with customer. 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-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty 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.

Unbilled revenue represents revenues recognized after the last invoice is raised on the customer at 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.



RELiance JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

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

Revenue is 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 recognized 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.

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.

d) Impairment of Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period and any possible actions that can be taken to mitigate the risk of non-recovery.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized 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.

iii) Derivative Financial Instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

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



RELiance JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

Fair Value Hedge

The Company designates derivative contracts or non derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

(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, where by 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.

C 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 and 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.

(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 arrangement 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, 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. Accordingly 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.

(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 amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



RELiance JIO INFRATEL PRIVATE LIMITED

Notes on Ind AS Financial Statements

(e) 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.

(f) 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.



RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

(Rs. Million)

NOTE 1. Property, Plant and Equipment and Capital Work in Progress

| Description | Gross Block | | | Depreciation and Amortisation | | | Net Block | |
|--|-----------------|----------------|------------|-------------------------------|-----------------|------------|------------------|------------------|
| | As at | Additions | Deductions | As at | For the year | Deductions | As at | As at |
| Property, Plant and Equipment : | 1-Apr-19 | | | 31-Mar-20 | 1-Apr-19 | | 31-Mar-20 | 31-Mar-19 |
| Tangible Assets : | | | | | | | | |
| Own Assets (A) | - | - | - | - | - | - | - | - |
| Land | 96 | - | - | 96 | - | - | 96 | 96 |
| Leasehold Improvements | 110 | - | - | 110 | 5 | - | 105 | 110 |
| Buildings | 17 | - | - | 17 | 1 | - | 16 | 17 |
| Plant and Equipments | 247,862 | 156,959 | - | 404,821 | 17,772 | - | 387,049 | 247,862 |
| Total (A) | 248,085 | 156,959 | - | 405,044 | 17,778 | - | 387,266 | 248,085 |
| Right-of-Use Assets (B) | | | | | | | | |
| Land | 123 | - | - | 123 | 6 | - | 117 | 123 |
| Total (B) | 123 | - | - | 123 | 6 | - | 117 | 123 |
| Total C= (A+B) | 248,208 | 156,959 | - | 405,167 | 17,784 | - | 387,383 | 248,208 |
| Capital Work-in-Progress | - | - | - | - | - | - | - | 80,152 |
| Previous Year Figures | - | 248,208 | - | 248,208 | - | - | 80,152 | |

1.1 Addition to Property, Plant and Equipment (PPE) during the previous year and the Capital Work in progress as at 31st March, 2019 represent assets acquired consequent to the Composite Scheme of Arrangement (Refer Note 33) . The title deeds/lease deeds of the immovable properties are in process of being transferred in the name of the company.

1.2 For assets pledged as security - Refer note 12 (i)

1.3 "0" represents the amount below the denomination threshold.

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|--|---------------------------|--|
| 2 Other Financial Assets - Non Current (Unsecured and Considered Good) | | |
| Security Deposits | 3,069 | 2,726 |
| Fixed Deposit with Banks | 3 | - |
| Total | <u>3,072</u> | <u>2,726</u> |

2.1 Fixed Deposits with Bank Rs.3 million (Previous year Rs.Nil) have been pledged against bank guarantee issued to Government authorities.

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|--|---------------------------|--|
| 3 Other Non-Current Assets (Unsecured and Considered Good) | | |
| Capital Advances | - | 80 |
| Advance Income Tax * | 701 | - |
| Amounts Paid under Protest | 2,535 | 2,535 |
| Total | <u>3,236</u> | <u>2,615</u> |

***Advance Income Tax:**

| | | |
|--|------------|----------|
| At start of the year i.e. 01 April, 2019 | - | - |
| Charge for the year - Current Tax | - | - |
| Tax Deducted at Source during the year | 701 | - |
| At end of year i.e 31st March, 2020 | <u>701</u> | <u>-</u> |

Component of Deferred tax asset / (liabilities)

Deferred tax asset / (liabilities) in relation

to:

| | | |
|-------------------------------|----------|----------|
| Property, Plant and Equipment | (10,282) | - |
| Carried Forward Losses | 10,282 | - |
| Total | <u>-</u> | <u>-</u> |

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RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

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

(Rs. Million)

| | For the year ended 31st March, 2020 | For the year ended 31st March 2019 |
|---|--|---------------------------------------|
| Loss before Tax | (20,968) | (27) |
| Applicable Tax Rate | 25.17% | 34.94% |
| Computed Tax Expense / (Income) | (5,277) | (9) |
| Add: Tax effect on disallowance of expenses | - | 8 |
| Tax effect of: | | |
| Unused tax losses for which no deferred tax assets is recognised* | (5,277) | (1) |
| Current Tax Provision (A) | - | - |
| Deferred Tax Provision (B) | - | - |
| Total Tax Expense / (Income) recognised in Statement of Profit and Loss (A+B) | - | - |
| Effective Tax Rate | - | - |

*As at 31st March, 2020 Rs.5,278 million (Previous year 1 million) with no expiry period.

As per section 115BAA introduced by the Taxation Laws (Amendment) Act, 2019, the Company has adopted new income tax rates.

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|--|---------------------------|--|
| | Units Amount | Units Amount |

4 Current Investments

**Investments measured at Fair Value
Through Profit & Loss**

**In Mutual Fund Units - Unquoted, fully
paid - up (Face value of Rs. 100 each)**

| | | | | |
|--|---|---|---------|-----|
| Aditya Birla Sun Life Liquid Fund - Growth - (Direct Plan) | - | - | 483,280 | 145 |
| Total | - | - | 483,280 | 145 |
| Aggregate amount of Unquoted investments | - | - | - | 145 |

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|---|---------------------------|--|
| 5 Trade Receivables (Unsecured and considered good) | | |
| Trade Receivables | 153 | 310 |
| Total | 153 | 310 |




RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|--|---------------------------|--|
| 6 Cash and Cash Equivalents | | |
| Balances with Banks in Current Account | 446 | 3 |
| Total | <u>446</u> | <u>3</u> |

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|------------------------------|---------------------------|--|
| 7 Other Bank Balances | | |
| Fixed Deposits with Banks | 3 | - |
| Total | <u>3</u> | <u>-</u> |

Fixed Deposits with Banks of Rs.3 million (Previous year of Rs.Nil) have been pledged with government authorities.

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|---|---------------------------|--|
| 8 Other Financial Assets - Current | | |
| Deposit for capital expenditure | 16,000 | 15,000 |
| Other Receivables * | 8,099 | - |
| Total | <u>24,099</u> | <u>15,000</u> |

*Include contractually reimbursable / receivable amount and derivative assets

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|--|---------------------------|--|
| 9 Other Current Assets (Unsecured and considered good) | | |
| Balance with GST authorities* | 19,624 | 17,327 |
| Advance to vendors | 2,929 | 1,627 |
| Total | <u>22,553</u> | <u>18,954</u> |

*Includes Input tax credit pending for availment of Rs. 8,907 million (Previous year Rs. Nil).




RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|---|---------------------------|--|
| 10 Share Capital | | |
| Authorised Share Capital : | | |
| 3,000,000,000 Equity Shares of Re.1 each | 3,000 | 3,000 |
| 100,000,000 Preference Shares of Rs.10 each | 1,000 | 1,000 |
| | <u>4,000</u> | <u>4,000</u> |
| Issued, Subscribed and Paid up: | | |
| 2,150,000,000 Equity Shares of Re.1 each | 2,150 | 2,150 |
| Total | <u>2,150</u> | <u>2,150</u> |

10.1 Terms, Rights and Restrictions attached to Equity Shares

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

Each holder of equity shares is entitled to one vote per share. In the event of dissolution or winding up of the Company, the holders of equity shares will be entitled to receive amount only to the extent of the paid up face value, to be paid after repayment of paid up preference share capital. They shall have no right to participate in surplus assets either on winding up or on liquidation.

10.2 The reconciliation of the number of Equity shares outstanding is set out

| | As at 31st March, 2020 | | As at 31st March 2019 | |
|---|------------------------|--------------|-----------------------|--------------|
| Particulars | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares at the beginning of the year of Re.1 each (Previous year Rs. 10 each) | 2,150,000,000 | 2,150 | 1,000,000 | 10 |
| Add: Issue of Shares of Rs. 10 each | - | - | 14,000,000 | 140 |
| Total | <u>2,150,000,000</u> | <u>2,150</u> | <u>15,000,000</u> | <u>150</u> |
| No of shares resulting from subdivision of one equity share of Rs 10 each into 10 equity shares of Re. 1 each (Refer Note 10.5) | - | - | 150,000,000 | 150 |
| Add: Issue of equity shares of Re. 1 each (Refer Note 10.3) | - | - | 2,000,000,000 | 2,000 |
| Equity shares at the end of the year | <u>2,150,000,000</u> | <u>2,150</u> | <u>2,150,000,000</u> | <u>2,150</u> |

During the previous year, the Composite Scheme of Arrangement amongst Reliance Jio Infocomm Limited and Jio Digital Fibre Private Limited and Reliance Jio Infratel Private Limited and their respective shareholders and creditors (the "Scheme"), was approved by the National Company Law Tribunal, Ahmedabad Bench. After the Scheme became effective and in accordance with the terms mentioned in the Scheme, upon allotment of the Class 'A' Equity Shares amounting to Rs.2,000 Million (200,00,00,000 shares of Re.1 each), the rights attached to the existing equity shares amounting to Rs.150 million (15,00,00,000 shares of Re.1 each), stood varied as stated in the Scheme. The existing equity shares amounting to Rs150 million (15,00,00,000 shares of Re.1 each) was there after classified as Class 'B' Equity Shares.

Subsequently, the shareholders at their respective class meetings held on March 31, 2019 varied the terms attached to Class 'B' Equity Shares such that Class 'B' Equity Shares had rights attached to Class 'A' Equity. Thereafter, Class 'A' Equity Shares and Class 'B' Equity Shares were classified as 'Equity Shares' and the rights of the Equity Shares are as mentioned and described in Note 10.1 above.

With effect from March 31, 2019, the Company has only one class of equity share.

10.3 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 33) 2,000,000,000 equity shares of Re. 1 each were issued and allotted as fully paid, for consideration other than in cash, to Reliance Jio Infocomm Limited (RJIL) for the transfer and vesting of its Tower Undertaking.

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

(Rs. Million)

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

| Name of Shareholders | As at 31st March, 2020 | | As at 31st March 2019 | |
|---|------------------------|--------|-----------------------|--------|
| | No. of Shares | % held | No of Shares | % held |
| Tower Infrastructure Trust (Controlling Entity) | 1,096,500,000 | 51% | 1,096,500,000 | 51% |
| Reliance Jio Infocomm Ltd | - | - | 1,053,500,000 | 49% |
| Reliance Industries Limited | 1,053,500,000 | 49% | - | - |

10.5 On March 29, 2019, the Company subdivided its equity shares whereby one equity share of face value of Rs. 10 each was sub divided into 10 equity shares having a face value of Re. 1 each.

| | As at 31st March, 2020 | (Rs. Million) As at 31st March, 2019 |
|--|---------------------------|--|
| 11 Other Equity | | |
| Instrument classified as equity | | |
| 10% Cumulative Optionally Convertible Preference Shares of Rs.10 each, fully paid up | 500 | 500 |
| Reserves and Surplus | | |
| Retained earning | | |
| As per last Balance Sheet | (33) | (6) |
| Loss for the year | (20,968) | (27) |
| Balance at end of the year | <u>(21,001)</u> | <u>(33)</u> |
| TOTAL | <u>(20,501)</u> | <u>467</u> |

11.1 Terms, rights and restrictions attached to Preference Shares :

5,00,00,000 10% Cumulative, Participating and Optionally Convertible Preference Shares are convertible into 10 (Ten) Equity Shares of Re.1 each for every 1 (One) Preference Share of Rs. 10 each at any time at the option of the Company but in any case not later than March 31, 2039 and in the event the shares are not converted, these will be redeemed at any time at the option of the Company at Rs. 10 each but not in any case later than March 31, 2039. The Preference Shares shall be entitled to the Surplus Assets either on winding up or liquidation or otherwise.

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

(Rs. Million)

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|------------|---------------------------|------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Preference shares at the beginning of the year | 50,000,000 | 500 | - | - |
| Add: Issue of Shares (Refer Note 11.3) | - | - | 50,000,000 | 500 |
| Preference shares at the end of the year | <u>50,000,000</u> | <u>500</u> | <u>50,000,000</u> | <u>500</u> |

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

Pursuant to the Scheme (Refer Note 33) 50,000,000 shares having a par value of Rs. 10 each were issued and allotted as fully paid up for consideration other than in cash to the transferor company for the transfer and vesting of its Tower Undertaking.

11.4 The details of shareholders holding more than 5% shares:

| Name of Shareholder | As at 31st March, 2020 | | As at 31st March, 2019 | |
|-------------------------------|------------------------|--------|------------------------|--------|
| | No of Shares | % held | No of Shares | % held |
| Reliance Jio Infocomm Limited | - | - | 50,000,000 | 100% |
| Reliance Industries Limited | 50,000,000 | 100% | - | - |

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

(Rs. Million)

| 12 Borrowings | As at | | As at | |
|---|------------------|---------------|------------------|---------------|
| | 31st March, 2020 | | 31st March, 2019 | |
| At amortised Cost | Non-Current | Current | Non-Current | Current |
| (I) Term Loans | | | | |
| (a) Secured: | | | | |
| From banks | 53,168 | 3,333 | 6,667 | 3,333 |
| (b) Unsecured: | | | | |
| From banks | 56,666 | 6,667 | 63,333 | 6,667 |
| (II) Non Convertible Debentures (Unsecured) | 118,360 | - | 118,360 | - |
| Total | 228,194 | 10,000 | 188,360 | 10,000 |

(i) Secured Loans from Banks consist of:

Rs.6,667 million (Previous year Rs. 10,000 million) of loan, carrying interest rate of 8.75% p.a. repayable in 12 quarterly installments starting from June 2019, transferred from Reliance Jio Infocomm Limited, pursuant to Composite Scheme of Arrangement approved by NCLT with effect from 31st March 2019. As detailed in Note 33 to the financial statements, the Company is in the process of transferring the assets and liabilities in its name. The registration of charges in respect of the said loan, in the name of the Company has been carried out on 30th March 2020. Consequently, the said loan is secured by a floating charge by way of hypothecation of movable property and book debts of the Company.

Loan of Rs.30,000 million (Previous year Nil) carrying interest rate of 8.65% p.a. repayable after 2 years, secured by First Pari Passu Charge by way of hypothecation on all fixed assets and current assets (present and future) of the Company excluding Cash and Investments from non-operating activities. Further Reliance Industries Limited (RIL) has provided an undertaking for the loan.

Loan of Rs.20,000 Million (Previous year Nil) carrying interest rate of 8.75% p.a. repayable over a period of 12 years including moratorium of 2 years, 2.5% repayable quarterly from December 2021, secured by First Pari Passu Charge by way of hypothecation on all fixed assets and current assets (present and future) of the Company. Further Reliance Industries Limited (RIL) has provided an undertaking for the loan.

The above balances of Secured Loans include Rs.166 million (Previous year Nil) as prepaid Finance charges.

(ii) Unsecured Loans from Banks consist of:

Loan of Rs.13,333 million (Previous year Rs. 20,000 million) carrying interest rate of 8.75% p.a. repayable in 3 equated yearly installments, starting from September 2019

Loan of Rs.50,000 million (Previous year Rs.50,000 million) carrying interest rate of 8.50% p.a. repayable in 5 years with an option to pay after 2 years.

(iii) Payment obligations under Unsecured Loans referred to in (ii) above to the extent of Rs.50,000 million is guaranteed by Reliance Industries Limited.

(iv) Non-Convertible Debentures consist of:

1,18,360 9% p.a. Non-Convertible Debentures – Series II (NCD – Series II) of face value of Rs.1,000,000 each, aggregating to Rs.118,360 million redeemable at par on or before 31st March, 2029 at the option of the Company.

(v) In absence of profit as per Section 71(4) of Companies Act, 2013, the Company has not created the Debenture Redemption Reserve for cumulative amount of Rs.1,184 Million. The Company shall create the Debenture Redemption Reserve out of Profits, if any in the future years.

(Rs. Million)

| 13 Provisions - Non Current | As at | | As at | |
|--|------------------|--|------------------|--|
| | 31st March, 2020 | | 31st March, 2019 | |
| Asset Retirement Obligation (Refer note- 25) | 10,854 | | 7,414 | |
| Total | 10,854 | | 7,414 | |

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

| | | (Rs. Million) |
|--------------------------------|------------------|------------------|
| | As at | As at |
| 14 Borrowings - Current | 31st March, 2020 | 31st March, 2019 |
| Unsecured - At amortised Cost | | |
| (a) Non Convertible Debentures | - | 29,650 |
| (b) Term loans : from others | 30,050 | - |
| Total | 30,050 | 29,650 |

- (i) Previous Year 29,650, 7.00% Non-Convertible Debentures – Series I (NCD – Series I) of face value of Rs. 10,00,000 each, aggregating to Rs. 29,650 Million redeemed at par, repaid on 15th April, 2019.
- (ii) Loan of Rs. 5,050 Million from Reliance Industries Limited and Rs. 25,000 Million from Jamnagar Utilities and Power Private Limited carry an interest rate of 9.25% p.a.
- (iii) Maximum amount outstanding at any time during the year in respect of monies raised by the company on Commercial Papers was Rs. 7,912 Million (Previous year Rs. Nil)

| | | (Rs. Million) |
|---|------------------|------------------|
| | As at | As at |
| 15 Trade Payables due to | 31st March, 2020 | 31st March, 2019 |
| total outstanding dues of micro enterprises and small enterprises | - | 0 |
| total outstanding dues of creditors other than micro enterprises and small enterprises. | 3,059 | 3,111 |
| Total | 3,059 | 3,111 |

Note: "0" represents the amount below the denomination threshold.

There are no overdue amounts to Micro, Small and Medium Enterprises as at 31st March, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

| | | (Rs. Million) |
|--|------------------|------------------|
| | As at | As at |
| 16 Other Financial Liabilities - Current | 31st March, 2020 | 31st March, 2019 |
| Current maturities of long term debt (Secured) | 3,333 | 3,333 |
| Current maturities of long term debt (Unsecured) | 6,667 | 6,667 |
| Interest accrued but not due | 11,908 | 1,024 |
| Security Deposit | 13,250 | - |
| Others* | 35,984 | 1,140 |
| Total | 71,142 | 12,164 |

*Includes derivative liability and deposit payable on demand secured by the guarantee given by the Parent of the sponsor of the controlling entity of the company.

| | | (Rs. Million) |
|------------------------------|------------------|------------------|
| | As at | As at |
| 17 Other Current Liabilities | 31st March, 2020 | 31st March, 2019 |
| Statutory dues payable | 1,387 | 27 |
| Total | 1,387 | 27 |




RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part Financial Statements

| | | (Rs. Million) |
|---|---------------------------|--|
| 18 Revenue from Operations | For the year ended | For the year ended |
| | 31st March, 2020 | 31st March 2019 |
| Sale of Services | 33,404 | - |
| Total | 33,404 | - |
| 19 Other Income | For the year ended | (Rs. Million) For the year ended |
| | 31st March, 2020 | 31st March 2019 |
| Interest on Income Tax Refund | 6 | 4 |
| Gain on investments (Net) | 119 | 1 |
| Total | 125 | 5 |
| 20 Network Operating Expenses | For the year ended | (Rs. Million) For the year ended |
| | 31st March, 2020 | 31st March 2019 |
| Power and Fuel (Net of Recovery Rs. 28,628 Million (Previous year Nil)) | - | - |
| Rent (Net of Recovery Rs. 12,735 Million (Previous year Nil)) | - | - |
| Repairs and Maintenance | 4,492 | - |
| Other Network Cost (Net of Recovery Rs. 1,476 Million (Previous year Nil)) | 23 | - |
| Total | 4,515 | - |
| 21 Employee Benefits Expense | For the year ended | (Rs. Million) For the year ended |
| | 31st March, 2020 | 31st March 2019 |
| Salaries and Wages | 1 | - |
| Contribution to Provident Fund and Other Funds | 0 | - |
| Staff Welfare Expenses | 0 | - |
| Total | 1 | - |
| 22 Finance Costs | For the year ended | (Rs. Million) For the year ended |
| | 31st March, 2020 | 31st March 2019 |
| Interest Expenses | 30,706 | - |
| Exchange loss (attributable to finance costs) | 1,073 | - |
| Other borrowing cost | 161 | - |
| Total | 31,940 | - |




23 Other Expenses

Rates and taxes (Previous year Rs. 20,000)
Professional Fees
Payment to Auditors
General Expenses

**For the year ended
31st March, 2020**

(Rs. Million)
**For the year ended
31st March 2019**

- 0
40 5
8 1
209 26

Total

257

32



RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

24 EARNINGS PER SHARE (EPS)

| | For the year ended | |
|--|--------------------|-----------------|
| | 31st March, 2020 | 31st March 2019 |
| i. Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Million) | (20,968) | (27) |
| Less: Dividend on Cumulative Preference Shares (Rs. Million) | (50) | - |
| Earnings attributable to Equity Share holders (Rs. Million) | (21,018) | (27) |
| ii. Weighted Average number of equity shares used as denominator for calculating Basic EPS (in Million) | 2,150 | 17 |
| iii. Basic Earnings per share (Rs.) | (9.78) | (1.61) |
| iv. Diluted Earnings per share (Rs.) (refer note below) | (9.78) | (1.61) |
| v. Face Value per equity share (Re.) | 1 | 1 |

Note:

1. The effect of weighted average potential Equity shares 500,000,000 to be issued at the time of conversion of optionally convertible preference shares is anti-dilutive in nature and hence not considered in calculation of dilutive earnings per share.

2. The Equity share of Rs. 10 each was sub divided into Ten Equity share of Re. 1 each during the previous year.

Accordingly as per requirement of Ind AS 33, the EPS has been computed by taking the increased number of shares for FY 2018-19.

25 Assets Retirement Obligation (ARO)

Asset Retirement Obligation is 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.

| | (Rs. Million) | |
|--|-----------------------|-----------------------|
| | As at 31st March 2020 | As at 31st March 2019 |
| Movement in ARO | | |
| At beginning of the year i.e 1st April, 2019 | 7,414 | - |
| Provided during the year | 3,440 | 7,414 |
| At end of the year i.e. 31st March 2020 | 10,854 | 7,414 |

26 RELATED PARTY DISCLOSURES

- (i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:
List of related parties with whom transactions have taken place and relationships :

| Sr No | Name of the Related Party | Relationship |
|-------|---|--------------------------|
| 1 | Reliance Industries Limited (Till 31st Mar'19) | Ultimate Holding Company |
| 2 | Reliance Industrial Investments and Holdings Limited (Till 27th Mar'19) | Holding Company |
| 3 | Tower Infrastructure Trust (W.e.f 31st Mar' 19) | Controlling Entity |
| 4 | Digital Media Distribution Trust (W.e.f 28th Mar'19 till 31st Mar'19) | Controlling Entity |
| 5 | Vijay Kumar Sharma | Key Managerial Person |

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

(ii) Transactions during the year with related parties

(Rs. Million)

| Sr No | Nature of Transactions | Holding Co/Controlling Entity | Key Managerial Person |
|-------|-------------------------------------|-------------------------------|-----------------------|
| 1 | Shares issued and allotted | - | - |
| | | (140) | - |
| 2 | Payment to Key Managerial Personnel | | 3 |
| | | | (5) |

Note : Figures in brackets represent previous year's amounts.

(iii) Closing balance as at

(Rs. Million)

| Sr No | Particulars | Relationship | 31st March 2020 | 31st March 2019 |
|-------|---|--------------------|-----------------|-----------------|
| 1 | Equity Share Capital - Tower Infrastructure Trust | Controlling Entity | 1,097 | 1,097 |

27 CONTINGENT LIABILITIES AND COMMITMENTS

(i) Contingent Liabilities

Municipal Tax

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

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

(ii) Commitments

(Rs. Million)
As at 31st March, 2020 As at 31st March, 2019

Estimated amount of contracts remaining to be executed on Capital account not provided for 11,475 -

28 Arrears of fixed cumulative dividend on Optionally Convertible Preference Shares classified as 'Other Equity' Rs. 50 Million (Previous year Rs. Nil).

29 Capital Management

The Company adheres to a Disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain AAA rating by ensuring that the financial strength of the Balance Sheet is preserved.
- Manage financial market risks arising from foreign exchange and interest rates, and minimise the impact of market volatility on earnings.

Gearing Ratio

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

| | (Rs. Million) | |
|---------------------------------|-----------------------|-----------------------|
| | As at 31st March 2020 | As at 31st March 2019 |
| Gross Debt | 268,244 | 228,010 |
| Cash and marketable securities | (446) | (148) |
| Net debt (A) | 267,798 | 227,862 |
| Total Equity (B) | (18,351) | 2,617 |
| Net debt to equity ratio (A/B)* | - | 87 |

*Net debt to equity ratio as at 31st March 2020 is not calculated as the total Equity value is negative

RELiance JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

30 FINANCIAL INSTRUMENTS

A. FAIR VALUE MEASUREMENT HIERARCHY:

(Rs. Million)

| Particulars | As at 31st March, 2020 | | | As at 31st March, 2019 | | |
|-----------------------------------|------------------------|------------------------|---------|------------------------|------------------------|---------|
| | Carrying Amount | Level of input used in | | Carrying Amount | Level of input used in | |
| | | Level 1 | Level 2 | | Level 1 | Level 2 |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| Trade Receivables | 153 | - | - | 310 | - | - |
| Cash and Bank Balances | 449 | - | - | 3 | - | - |
| Other Financial Assets | 26,472 | - | - | 15,000 | - | - |
| | | | | | | |
| At FVTPL | | | | | | |
| Investments | - | - | - | 145 | - | 145 |
| Other Receivables | 699 | - | 699 | - | - | - |
| | | | | | | |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| Borrowings | 268,244 | - | - | 228,010 | - | - |
| Trade Payables | 3,059 | - | - | 3,111 | - | - |
| Other Financial Liabilities | 61,142 | - | - | 12,164 | - | - |
| Creditors for Capital Expenditure | 114,610 | - | - | 124,770 | - | - |
| | | | | | | |
| At FVTPL | | | | | | |
| Other Financial Liabilities | - | - | - | 1,140 | - | 1,140 |

The financial instruments are categorized 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.

Valuation methodology:

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

- The fair value of investment in Mutual Funds is measured at NAV.
- The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates at the balance sheet date.
- 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

B. 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 forward 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.

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

(Rs. Million)

| Particulars | Foreign Currency Exposure | |
|-----------------------------------|---------------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Creditors for capital expenditure | 23,620 | 27,302 |
| Derivatives | | |
| Forward (Refer note below) | 23,599 | 23,464 |
| Net Exposure | 21 | 3,838 |

Note: Pursuant to the scheme of arrangement referred to in Note 33, tower business undertaking of Reliance Jio Infocomm Limited (RJIL) was transferred to the Company w.e.f. 31st March 2019. Consequently, part of the exposures covered by the derivative contracts entered into by RJIL prior to 31st March 2019, have been transferred to the Company. The Company has entered into a mutual agreement with RJIL for reimbursing derivative losses/gains relating to the exposures.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

(Rs. Million)

| Particulars | Foreign Currency Sensitivity | |
|------------------------|------------------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 1% Depreciation in INR | (0) | (38.38) |
| Impact on Equity | | - |
| Impact on P&L | (0) | (38.38) |
| 1% Appreciation in INR | 0 | 38.38 |
| Impact on Equity | | - |
| Impact on P&L | 0 | 38.38 |

Note: "0" represents the amount below the denomination threshold.

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:

(Rs. Million)

| Particulars | Interest Rate Exposure | |
|---|------------------------|-----------------|
| | As at | |
| Borrowings | 31st March 2020 | 31st March 2019 |
| Non-Current - Floating (Includes Current Maturities)* | 120,000 | 80,000 |
| Non-Current - Fixed (Includes Current Maturities) | 118,360 | 118,360 |
| Current - Fixed | 30,050 | 29,650 |
| Total | 268,410 | 228,010 |

*Includes Rs.166 Million (Previous year Rs. Nil) as Prepaid Finance Charges at the end of the year.

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.

Sensitivity analysis of 1% (floating rate borrowings) change in Interest rate:

(Rs. Million)

| Particulars | Interest Rate Sensitivity as at | | | |
|------------------|---------------------------------|-----------|-----------------|-----------|
| | 31st March 2020 | | 31st March 2019 | |
| | Up Move | Down Move | Up Move | Down Move |
| Total Impact | (1,200) | 1,200 | (72) | 72 |
| Impact on Equity | - | - | - | - |
| Impact on P&L | (1,200) | 1,200 | (72) | 72 |

RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

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 through advance payments.

iii) Liquidity Risk

Liquidity risk arises from the Company's inability to 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 and a mix of currencies 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.

(Rs. Million)
Maturity Profile as at March 31, 2020

| Particulars | 0-1 Years | 1-3 Years | 3-5 Years | Above 5 years | Total |
|---|----------------|---------------|---------------|----------------|----------------|
| Trade Payable (Refer Note 15) | 3,059 | - | - | - | 3,059 |
| Creditors for Capital Expenditure | 114,610 | - | - | - | 114,610 |
| Other Current Financial Liabilities (Refer Note 16) | 61,142 | - | - | - | 61,142 |
| Borrowings* (Refer Note 12, 14 and 16) | 40,050 | 43,000 | 54,000 | 131,360 | 268,410 |
| Total | 218,861 | 43,000 | 54,000 | 131,360 | 447,221 |
| Derivative Liabilities | | | | | |
| Forwards | - | - | - | - | - |
| Total | - | - | - | - | - |

* Includes Rs.166 Million as prepaid finance charges.

(Rs. Million)
Maturity Profile as at March 31, 2019

| Particulars | 0-1 Years | 1-3 Years | 3-5 Years | Above 5 years | Total |
|---|----------------|---------------|---------------|----------------|----------------|
| Trade Payable (Refer Note 15) | 3,111 | - | - | - | 3,111 |
| Creditors for Capital Expenditure | 124,770 | - | - | - | 124,770 |
| Other Current Financial Liabilities (Refer Note 16) | 1,024 | - | - | - | 1,024 |
| Borrowings* (Refer Note 12, 14 and 16) | 39,650 | 20,000 | 50,000 | 118,360 | 228,010 |
| Total | 168,555 | 20,000 | 50,000 | 118,360 | 356,915 |
| Derivatives Liabilities | | | | | |
| Forwards* | 1,140 | - | - | - | 1,140 |
| Total | 1,140 | - | - | - | 1,140 |

Note: Pursuant to the scheme of arrangement referred to in Note 33, tower business undertaking of Reliance Jio Infocomm Limited (RJIL) was transferred to the Company w.e.f. 31st March 2019. Consequently, part of the exposures covered by the derivative contracts entered into by RJIL prior to 31st March 2019, have been transferred to the Company. The Company has entered into a mutual agreement with RJIL for reimbursing derivative losses/gains relating to the exposures.

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RELIANCE JIO INFRATEL PRIVATE LIMITED
Notes forming part of Financial Statements

31 SEGMENT REPORTING

The Company is engaged in setting up, operating and managing of tower infrastructure in India. All activities of the Company revolve around this main business. Accordingly the Company has this single segment as per the requirements of Ind AS 108 - Operating Segment .

32 PAYMENT TO AUDITORS

| | (Rs. Million) | |
|--------------------|---|--|
| | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
| Audit Fees | 5 | 1 |
| Tax audit Fee | 1 | - |
| For Other Services | 2 | - |
| Total | 8 | 1 |

Note: "0" represents the amount below the denomination threshold.

33 Composite Scheme of Arrangement

The Board of Directors of the Company at their meeting held on 2nd January 2019 approved a composite scheme of arrangement (herein after referred to as "the scheme") between Reliance Jio Infocomm Limited (RJIL), Jio Digital Fibre Private Limited (JDFPL) and Reliance Jio Infratel Private Limited (RJIPIL) 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 31st March 2019.

The scheme was approved by Ahmedabad bench of Hon'ble National Company Law Tribunal (NCLT) vide its order dated 20th March 2019 and the certified copy of the order approving the scheme has been filed with the Registrar of Companies on 30th March 2019.

The effect of the scheme was given in the financial statements for the year ended 31st March 2019.

Pursuant to the scheme

(i) All assets and liabilities of the transferred undertaking of RJIL, stand transferred to and vested with RJIPIL, on a going concern basis with effect from 31st March 2019

(ii) As prescribed in the Scheme, the Company has accounted for the identified assets and liabilities acquired using the acquisition method at the acquisition date fair values in compliance with accounting standard 103 – Business

| Assets | (Rs. Million) |
|------------------------------|--------------------------|
| PPE and CWIP* | 328,360 |
| Other Non-Current Assets | 5,342 |
| Current Assets | 34,260 |
| Total Assets (A) | 367,962 |
| Liabilities | |
| Non - Current Liabilities | 225,430 |
| Current Liabilities | 140,030 |
| Total Liabilities (B) | 365,460 |
| Net Assets (A-B) | 2,502 |

* PPE - Plant and Equipments and CWIP is based on the valuation report of an independent valuer.

(iii) RJIPIL has discharged and accounted for the lumpsum consideration to RJIL by issuance of :

(a) 2,000,000,000 class A equity shares of Re 1 each fully paid up.

(b) 50,000,000, 10% Cumulative Optionally Convertible Preference Shares of Rs. 10 each, fully paid up.

(iv) Consequent to the scheme, the company is in the process of transferring the assets and liabilities in its name.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Notes forming part of Financial Statements

- 34** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days, which further was extended upto 30th June 2020, to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

The Company is engaged in the business of providing tower infrastructure and related operations in India and is in its first year of business operations. The Company has executed a long term Master Services Agreement (MSA) with Reliance Jio Infocomm Limited (RJIL) (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 reputed and experienced contractors/service providers. Further, part of its sanctioned borrowings are available to the Company for utilization on need basis and the Company also accesses global and local financial markets to meet its liquidity requirements.

In view of all of the above, the Company does not expect any significant challenges, including emanating out of COVID-19, particularly in the next 12 months

- 35** The figures for the corresponding previous year have been regrouped / rearranged wherever necessary, to make them comparable.

The results of the current year are not comparable with those of the previous year considering the impact of the Scheme referred to in Note -33.

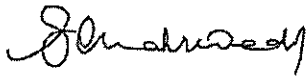
36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by board of directors on 7th July, 2020



As per our Report of even date

For Pathak H D & Associates LLP
Chartered Accountants
Firm Regn No: 107783W / W100593



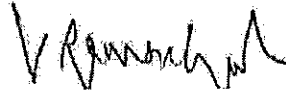
Gopal Chaturvedi
Partner
Membership No. 090903

For Deloitte Haskins & Sells
Chartered Accountants
Firm Regn No: 117364W

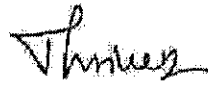


Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board



Venkataraman Ramachandran
Director
DIN:02032853



Thriveni Shetty
Director
DIN: 07847098



Vijay Kumar Sharma
Company Secretary
Membership No: A10635

Place: Mumbai
Date: 7th July, 2020

Place: Chicalim Goa

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c/o Citibank, N.A., Dublin Branch
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Dublin 1
Ireland

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