



May 08, 2026

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block – G, Bandra Kurla
Complex, Bandra (E), Mumbai - 400051

Ref.: Indus Towers Limited (534816/ INDUSTOWER)

Sub.: Transcripts of the Earnings Call on the Company's performance for the fourth quarter (Q4) and financial year ended March 31, 2026

Dear Sir/Ma'am,

Please find attached the transcripts of Earnings Call conducted on May 01, 2026 on the Company's performance for the fourth quarter (Q4) and financial year ended March 31, 2026.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For **Indus Towers Limited**

Samridhi Rodhe

Company Secretary & Compliance Officer

Encl.: As above

Indus Towers Limited



“Indus Towers Limited
Fourth Quarter & Full Year Ended March 31, 2026
Earnings Call”
May 01, 2026



Management: **Mr. Prachur Sah – Managing Director and Chief Executive Officer**
 Mr. Vikas Poddar – Chief Financial Officer
 Mr. Tejinder Kalra – Chief Operating Officer
 Mr. Dheeraj Agarwal – Head Investor Relations

Moderator: Good afternoon, ladies and gentlemen. I am Michelle, the Moderator for this conference. Welcome to Indus Towers Limited Fourth Quarter and Full Year ended March 31, 2026 Earnings Call. For the duration of the presentation, all participant lines will be in the listen-only mode. After the presentation, the question-and-answer session will be conducted for all the participants on this call. In case of a natural disaster, the conference call will be terminated post an announcement.

Present with us on the call today is the senior leadership team of Indus Towers. Before I hand over the call, I must remind you that the overview and discussions today may include certain forward-looking statements that must be viewed in conjunction with the risks that we face.

I now hand over the call to our first speaker of the day, Mr. Prachur Sah. Thank you, and over to you, Mr. Sah.

Prachur Sah: Thank you, Michelle, and a very warm welcome to all participants. Joining me today are my colleagues, Mr. Vikas Poddar, CFO; Mr. Tejinder Kalra, COO; and Mr. Dheeraj Agarwal, Head Investor Relations, on the call.

Today, I will talk about our business performance for the quarter and year ending on March 31, 2026. FY26 was marked by strong co-location additions and continued tower additions, reflecting our strong execution capabilities, exceptional service to our customers, underpinning our competitive strength to capture a meaningful share of customers' network expansion. A gradual improvement in the financial position of a major customer, aided by the Government support provides visibility of strong business momentum. Overall, FY26 was another year of solid progress with strong operational and financial performance. With the improved financial situation of one of the customers and the potential business momentum, the Board has recommended a final dividend of INR 14 per share.

Before delving deeper into our business performance, I would like to acknowledge the exceptional commitment of our field force, whose ability to overcome geographic and climatic challenges enables consistent delivery of reliable round-the-clock connectivity nationwide. During the quarter, certain parts of Northeast experienced severe weather conditions, which significantly disrupted the movement of our on-ground workforce. Despite these challenges, our field teams acted swiftly to restore services, stabilizing connectivity and effectively preventing any major disruption.

On the regulatory front, the Ministry of Finance introduced incentive-linked schemes to encourage states to align with the RoW rules 2024. With an allocation of INR 4,000 crores to states, the scheme is expected to accelerate approvals and ease deployment bottlenecks. Green Energy Open Access policy has now been operationalized across all states, reinforcing the sector's transition towards cleaner and more sustainable energy sources. This is expected to help reduce the energy costs for TowerCos.

Additionally, Central Electricity Authority i.e. CEA has notified the Installation and Operations of Meters (Amendment), Regulations 2026 mandating smart meters for all customers in areas

with communication networks. In this context, we are actively collaborating with stakeholders at both central and state levels to deploy smart meters across our cities which will enhance operational efficiency, optimize energy costs and enable more granular and scalable billing mechanisms.

Moving to update on 5G networks. The installed base of 5G BTSs now stands at close to 531,000. As large-scale deployments stabilize, rising data demand and network densification are driving the need for incremental capacity on existing infrastructure supporting sustained loading-led revenue growth. Over time, this is also expected to be complemented by selective expansion of the tower footprint. Backed by strong customer relationships and a robust operating platform, Indus Towers is well placed to capitalize on these opportunities and support the evolving requirements of next-generation networks.

As per the latest TRAI report, the total 5G subscription base in India stood at over 391 million by the end of December 2025, growing by 30 million in Q3 FY26.

India's data consumption momentum remains robust, driven by the continued migration of users towards 4G and 5G. As per TRAI's latest publication, total data consumption and average monthly data usage per user grew by 29% and 21% year-on-year, respectively. According to TRAI, 5G usage alone grew 21% quarter-over-quarter, accounting for 40% of the total data traffic in Q3 FY26, up from 35% in Q2 FY26.

Continued growth in data usage is encouraging operators to enhance capacity across existing infrastructures. With a pan-India presence with expansive tower portfolio and a strong execution track record, Indus Towers remains well positioned to partner with customers in meeting their evolving network requirements.

In terms of operational performance, we registered strong co-location additions during the quarter driven by a pickup in customer network expansion and our ability to capture a major share of the customer rollouts. We added 4,892 macro towers and 6,192 corresponding co-locations during the quarter, translating into a year-on-year growth of 6.1% and 5.6% in tower and co-location base, respectively. As a result, total macro tower and co-locations stood at around 264,500 and 428,000, respectively. On a full year basis, tower and co-location additions were around 15,200 and 22,500, respectively. Our industry-leading tenancy ratio was stable at 1.62.

Our co-locations of leaner towers stood at more than 14,000. Including leaner towers, our portfolio stood at approximately 442,000 at the end of the year.

I will now provide an update on our key KPIs. We remain committed to reducing diesel consumption by transitioning to cleaner sources of energy. We added close to 2,500 sites with solar access during the quarter, taking the overall sites to about 42,400. Diesel consumption on our sites reduced by about 7% year-on-year in Q4 FY26. This is despite 6% year-on-year increase in co-locations and continued equipment loading on the sites. Navigating extreme weather conditions, the dedication and perseverance of our teams on the ground helped us deliver an industry best uptime of 99.977% in Q4 FY26.

Let me now move to our strategic pillars - market share, cost efficiency, network uptime and sustainability. On market share, we continue to strengthen our position. We remain a preferred partner for our key customers that enabled us to capture a significant share of the network rollout. Network expansion was robust across major customers, allowing us to improve our market share and new deployments.

Our ability to deliver reliable service at competitive rates, supported by strong execution and stringent quality standards, has been central to this performance. Targeted technical interventions and customized product offerings have further contributed to cost optimization and improvement in overall delivery. In our non-tower segment, we achieved leadership position in the IBS space in Q4. Our DAS business also saw a pickup with increased deployments in metros, tunnels and highways. With a focus on build-to-suit solutions and continued technological advancement, this segment is well positioned for further growth.

Cost discipline and operational excellence are embedded in our ways of working with a continued focus on improving efficiency, enhancing predictability and structurally resetting our cost base. We made targeted interventions across tower strengthening, civil and electrical works, supply chain-led cost optimization and partner scope rationalization, while ensuring site safety and service reliability.

Energy efficiency is a central driver of our cost reduction efforts. During the year, we scaled deployment of energy-efficient solutions, including broader solar integration and accelerated deployment of advanced battery technologies. Over the last 2 years, as mentioned earlier, we have ramped up our solar deployment and provided solar access to about 28,000 sites during this period. We have also progressively increased the share of lithium-ion batteries across our portfolio. These initiatives are structurally reducing diesel dependency, improving uptime and supporting a more resilient and lower cost energy framework.

We also continue to strengthen our approach towards capex management by enhancing cost discipline, standardizing tower cost and tightening execution controls across tower deployments.

Thirdly, service reliability remains a core priority with continued focus on maintaining industry-leading standards across our operations. We are leveraging advanced digital tools and data platforms to enhance service delivery by way of enabling faster issue resolution and implementing a more proactive data-driven approach to address customers' needs.

FY26 marked a step-up in digital and AI-led transformation. For example, over 85% of our sites are now digitally connected, covering key systems such as fuel sensors, backhaul monitoring, smart meters and power equipment among others. The deployment of AI and machine learning capabilities have enabled proactive identification of outages, automated root cause analysis and improved resolution effectiveness.

Initiatives such as AI-based voice agents for technician calling and computer vision-led validation of preventive maintenance activities have enhanced field productivity, standardization and compliance while delivering high levels of accuracy.

Energy Management, as I mentioned earlier, remains an important area of focus with the implementation of an end-to-end automated fuel management platform, enabling real-time planning of diesel usage, logistics optimization and field validation. These interventions are improving cost efficiency and operational control. In parallel, we have progressed our digital twin journey through site service image platform, enabling planning teams with a unified view of sites to optimize asset utilization and improve civil and electrical planning.

We are progressing well on our ESG agenda as well. During the year, we undertook a double materiality assessment and a comprehensive climate risk assessment across our operations, enhancing our understanding of physical and transition risks and embedding resilience into long-term planning. Following the approval of our near-term net zero targets by Science Based Target initiative SBTi, we have formulated a decarbonization roadmap to guide progress towards these commitments.

On the workplace, gender diversity improved from 16.2% in FY25 to 18.3% in FY26. During the year, we launched our digital lead program to advance digital and AI capabilities across the organization. We also launched Prerna, a women-led mentoring program to inspire and uplift women employees. We undertook campaigns and targeted training focused on road safety and technicians working at heights.

In CSR, as part of our flagship program, Saksham, in association with the Bharti Airtel Foundation, we have supported over 30 Satya Bharti schools and 1,100 Government schools across multiple states and union territories under the Quality Support Program. Additionally, our Digital Transformation Van has touched over 646,000 lives in FY26.

As part of our other flagship program, Pragati, we conducted disaster relief measures across the nation, positively impacting close to 3,000 households. Through these programs, we managed to touch around 33 million lives by end of FY26.

On the Governance front, we maintain high levels of governance, integrity and transparency. To drive ESG adoption across our value chain, we instituted the ESG pathfinder awards with the objective of recognizing partners who have demonstrated meaningful commitment towards advancing sustainability initiatives. Our CSR efforts throughout the year were recognized by multiple bodies as the Company was awarded the Mahatma Award for CSR Excellence and recognized for sustainable and responsible business amongst others.

I will now provide a brief update on our progress on Africa expansion. We are making steady progress on our Africa foray with key operational and structural building blocks largely in place across our target markets. In Zambia, we have secured the operating license and are now advancing on-ground execution. In Uganda and Nigeria, we are in the last stages of getting regulatory approvals.

Commercial frameworks are largely established with the primary customer and initial orders are in place. In parallel, we have made good progress in setting up supply chain ecosystem, strengthening operational readiness, positioning us well for efficient and scalable deployment.

We expect that the rollouts will begin soon and ramp up progressively as approvals come through.

Overall, our strategy in Africa is a long-term strategy and remains to create differentiation through better cost per tower, delivering better SLA, uptime and higher energy efficiency. By doing this and remaining competitive commercially in line with the local market, we believe in the long term to be a major player in Africa tower business.

Geopolitical developments due to the war in West Asia have created near-term supply-side disruptions impacting tower availability, deployment timelines and cost structures, primarily through energy supply constraints and input cost inflation. We continue to monitor the situation closely and mitigating actions are being taken in line with the evolving geopolitical and market conditions.

With regards to rewarding the shareholders, we are pleased to announce that the Board has recommended a final dividend of INR 14 per share, reflecting our commitment towards returning cash to shareholders. As was informed earlier, the Board considered and decided to resume shareholder payouts, while remaining aligned with our disciplined capital allocation approach and ongoing investment priorities. The endeavor would be to follow a steady and progressive distribution.

I would now request Vikas to take you through our financial performance for the quarter and year ending March 31, 2026. And I look forward to your questions. Over to you, Vikas. Thank you.

Vikas Poddar:

Thank you, Prachur, and good afternoon, everyone.

I'm pleased to present our financial results for the quarter and year ending 31st March 2026. FY26 saw strong co-location additions supported by continued customer network expansion, sustained business momentum and positive developments at our customers' end underpinned our financial performance.

In terms of financial performance for Q4 FY26, total revenues were at INR 81 billion, growing by 4.8% year-on-year. Core revenues from rentals stood at INR 53.1 billion, up 5.4% year-on-year, driven by healthy co-location additions. Please note that Q4 of last year had one-time reconciliation benefits. I had explained in Q4 FY25 earnings call that the benefits added about 2.1 percentage points to the sequential growth in core revenues. With regard to Q4 FY26, our reported gross revenues were 0.6% lower quarter-on-quarter due to lower energy revenue which is an outcome of both our cost optimization and seasonality-driven reduction in the energy cost. Core revenues increased by 0.6% quarter-on-quarter, impact of one-time settlement in Q4 and network optimization by our customers weighed on the overall growth in revenue.

On profitability, reported EBITDA was at INR 44.6 billion, growing by 1.6% year-on-year and declining 1% quarter-on-quarter. The EBITDA margin was lower by 1.8 percentage points year-on-year and 0.2 percentage points quarter-on-quarter at 55.1% for Q4 FY26. I would like to remind you that Q4 FY25 included writebacks of approximately INR 2.3 billion related to collection of overdue receivables from a major customer. Q4 of last year also included

accounting impact of towers acquired from Airtel amounting to INR 1.7 billion towards operating expenses and depreciation. Adjusted for the writeback and accounting impact, EBITDA was up 4.5% year-on-year. The sequential decline in EBITDA was partially due to higher network costs, which increased primarily due to higher maintenance activities on our aging and growing tower portfolio.

Our energy margins were at negative 3.6% in Q4 FY26 compared to negative 5.2% in the same period last year. We continue to undertake cost optimization initiatives, particularly around energy management. This includes structural reduction in diesel dependence through increased adoption of renewable energy solutions, battery augmentation and continued focus on our operational efficiencies. These efforts are complemented by technology-led monitoring and disciplined execution, enabling a more predictable and efficient energy cost profile.

Our profit after tax grew by 0.8% year-on-year and 0.9% quarter-on-quarter to INR 17.9 billion. The moderate year-on-year growth is a result of higher base due to one-time reconciliation benefits in Q4 of last year, as I had explained earlier.

Now moving on to full-year performance for FY26. Our reported gross revenue stood at INR 325 billion, growing by 7.9% year-on-year, while core revenues were up 9% year-on-year to INR 209 billion. Reported EBITDA was INR 180 billion, down 13.8% year-on-year, and profit after tax stood at INR 71.4 billion, a decrease of 28.1% year-on-year. Kindly note that FY25 included a substantial writeback of INR 51 billion relating to collection of overdue receivables from a major customer. So, on a normalized basis, excluding one-offs, EBITDA and PAT grew by 11.4% and 13%, respectively.

Our return ratios remained largely stable with reported pre-tax return on capital employed and post-tax return on equity standing at 20.2% and 19.8% respectively, on a trailing 12-month basis.

We had significant free cash flow generation of INR 11.1 billion in Q4 and INR 37.6 billion in full year FY26. And subsequently, the Board has recommended final dividend of INR 14 per share, reflecting improved visibility on cash flows and our commitment to reward shareholders.

To conclude, FY26 reflects strong financial performance underpinned by healthy co-location additions and disciplined execution and our ability to capture major share of rollouts by our key customers. Ongoing demand momentum and consistent collections, along with our focus on cost optimization and operational efficiencies, provide strong visibility into future cash generation.

So with this, I will now hand it back to the moderator to open the floor for questions. Thank you.

Moderator:

Thank you very much, sir. The first question is from the line of Rishabh from HSBC. Please go ahead.

Rishabh:

Hi, thanks for the opportunity and congrats to management for dividend distribution. So we have paid around 100% of this year's free cash flow. But how should we think about the additional free cash flow we had received or generated last year which was on account of reversal of dues from VI. If I'm not mistaken, they were also supposed to be made available for distribution?

And secondly, I would like to understand more about the capex going forward. Understand the green capex company is making and higher maintenance required on the aging portfolio. But if you can have some guidance over the next couple of years, how should be the capex spend as it directly impacts the free cash flow and dividends?

Prachur Sah: Sure. So maybe I'll answer the first part, then you can take up the capex, Vikas. See, the Board evaluated the FCF situation and the debt levels that we want to maintain and decided accordingly to distribute the FCF of FY26. And as I mentioned, the endeavor will remain to follow steady and progressive distribution going forward. So that's the thinking behind the dividend. Maybe Vikas, you can touch base on the capex.

Vikas Poddar: Yes. So thanks for the question, Rishabh. I think on the capex, just to give you the big picture and as we have also explained earlier, 70% of the capex that we spend is growth oriented, which basically leads to growth in our revenue and bottom line. And just about 25% is basically something that goes towards replacement, maintenance and so on.

So I think as long as there is growth and there is basically tower build order, etcetera. I think the capex will sort of be steered towards that. As far as the future guidance is concerned, I think we still have a very healthy order book. So while we don't give any sort of forward-looking numbers, but broadly speaking, I think we are sort of looking at a very good order book and we continue to see growth-oriented capex going forward.

Rishabh: Just a couple of follow-up. On the free cash flow and the debt that you had mentioned like ex these liabilities, we are sitting on net cash. So is there anything that the management is foreseeing on a major investment area so that we want to maintain our debt levels? And you have mentioned the order book remains healthy. Does this order book include expansion in Africa as well or is it just India?

Prachur Sah: No. I think what Vikas is referring is primarily to the order book of India. And as I mentioned in my commentary, I think the Africa expansion is just starting. It's a long-term strategy. So the portion of capex for Africa is not going to be that significant to start with. So I think order book that he's referring to is primarily on the India side. And as far as the debt and FCF situation is concerned, I think keeping capital allocation in mind and all the growth opportunities coming up, that's where the Board's decision came to distribute the FCF for FY26.

Rishabh: Okay. I will go back to the queue. Thank you.

Moderator: Thank you. The next question is from the line of Sachin Salgaonkar from Bank of America. Please go ahead.

Sachin Salgaonkar: Hi, thank you for the opportunity. I have two questions. First question, Vikas, I just wanted to clarify on the dividend policy. While Prachur did mention on steady and progressive distribution, is there a dividend policy or is it more ad hoc where every year, the Board will consider based on the cash flows and plan and give dividend? And if there is a dividend policy, then can you clarify what is the dividend policy?

- Vikas Poddar:** Yes. Sure, Sachin. So the dividend policy is, first of all, available on our website. Broadly, what it says is the Company and the Board will consider distribution of the free cash flow of the company at the year-end, subject to the working capital requirements of the company and subject to a few other conditions. So based on that, even for this year, the free cash flow of the Company, the financial results, etcetera, was presented and the Board decided to distribute the full cash generation of this year as a dividend, which is what is reflected in the INR 14.
- Sachin Salgaonkar:** No minimum payout kind of an amount which is out there every year the Board will consider that?
- Vikas Poddar:** That's right.
- Sachin Salgaonkar:** Got it. Second question, one of your major customer contract has expired and from what we understand that customer has not renewed the contract. Can you give some color and updates here? And if the customer decides not to renew contracts and what kind of impact could we see?
- Prachur Sah:** So Sachin, first of all, I think, we have contracts for each tower. So there is no broad contract expiry. I think there are certain tenancies which fall under that bucket. It's not the entire portfolio. Secondly, I think if you look from our portfolio point of view, over the last 3-4 years, we have built quite a bit of resiliency by deploying large-scale towers and co-location.
- So that portfolio is actually -- the expired portfolio is actually a very small portion of the entire portfolio. So we continue to work with the customer to see how we can continue to provide the stickiness by providing high levels of service. But over the last 3-4 years and continuously, what we are doing, we are trying to mitigate any such risk that is there, right. So we'll keep monitoring the situation and keep growing the portfolio across other customers as well.
- Sachin Salgaonkar:** Got it. And when I look at your tenancy ratio for last 3-4 years, it has come down and continues to come down. So directionally, that's the trajectory we should think about going ahead as well, right?
- Prachur Sah:** I would not give you an outlook in that format because, see, the last few years were determined by deploying towers for one major customer. As the second customer comes on board and sharing and giving a co-location on existing tower is beneficial for both customer and us in terms of what the cost efficiency brings. So as the second customer comes and gets its network expansion growing, I would not say the trend will continue in that direction. However, it is depending on the pace of how the second customer comes on board.
- Vikas Poddar:** I'll just add, Sachin, I think if you look at the trend for the last 5 or 6 quarters, we have been very stable, which basically means there is basically more tenancy or more co-location addition than the tower additions, right. So I think the stability is a good thing. And going forward, as the second customer comes on board, we might actually see some improvement also.
- Sachin Salgaonkar:** And lastly, one small follow-up out there. You mentioned on Africa, you're in talks with primary customer. Beyond the primary customer, are you in talks with some incremental customers out there? Or as of now, the focus is only on one customer out there?

- Prachur Sah:** So I think, Sachin, we are talking to other customers as well. But as I said in the previous call as well, our long-term strategy is to get started and establish ourselves with the anchor customer. And I think as we'll be present in the market, of course, if we offer better competitive prices, cost, SLA and efficiency, the second customer would also be attracted to come towards us. So, I think that discussions are far more advanced with the anchor customer and the other customers are being engaged depending on where we are getting the setup.
- Sachin Salgaonkar:** Got it. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Private Limited. Please go ahead.
- Vivekanand Subbaraman:** So, if I look at the rental income growth adjusted for some of the one-offs, my inference is that the revenue growth is around 4.7% year-on-year. Could you help us understand the key drivers of this in terms of, let's say, escalation - revenue increased contribution from escalation and new towers and tenancies and negative effect of discounts if any.
- Vikas Poddar:** I'll take that, Vivekanand. I think, see, I guess you're referring to the growth - full year growth of 9% that we have reported. Am I right, service revenue?
- Vivekanand Subbaraman:** So I was referring to the 4Q FY26 rental income. And I just took out some of the one-off that was there in the base period. And also the inorganic - the tower purchases that you have done, I strip that revenue out as well from both periods to arrive at 4.7%.
- Vikas Poddar:** Well, I think I'll just maybe explain the number that we have reported. I don't know how the 4.7% is being calculated. Maybe we can take that offline. But for the quarter, we have reported service revenue year-on-year growth of 5.3%. So as you can see, that's largely driven by the co-location growth. If you look at our co-location numbers year-on-year, you will see a growth of 5.6%.
- And then the other growth drivers are typically the annual escalations that we have on our sites as and when they complete the anniversary. Also bear in mind, like I explained in my narrative, there was a one-time settlement benefit in the same quarter of last year that added 2.1 percentage point to our growth. So broadly, I mean, if you adjust for that, then we are closer to 7% growth in the quarter on year-on-year basis - 7%, 7.5%.
- Vivekanand Subbaraman:** Right. But then the 7.5% growth is also because you acquired towers from Airtel at the end of the quarter, right, last year?
- Vikas Poddar:** Yes. There was an inorganic element in that. Yes.
- Vivekanand Subbaraman:** Yes. So the organic growth will be close to 5% still, right? Or is there any...
- Vikas Poddar:** Yes, 5%, 5.5%. That's right.
- Vivekanand Subbaraman:** Okay. So just to build further on this, the 5.5% growth, if I look at it against the backdrop of co-location growth of 5.6%, annual escalation of 2.5%, why is the growth so muted compared to 7%-8% growth in prior year?

Vikas Poddar: So like I explained, there was also just like we had a reconciliation one-time settlement benefit in the same quarter of last year, this year, we had some impact. So as a result, the growth was also slightly muted because of that. And it is not fully reflecting the growth in the footprint.

Vivekanand Subbaraman: Fair enough. Understood. And your prognosis in terms of the order book visibility and organic growth adjusted for some of these factors, how should we think about it, let's say, for FY27 or FY28, if you have any color there...

Vikas Poddar: Vivekanand, I think I would hesitate in giving numbers because as you know, we really don't give any forward-looking numbers. But broadly, I think in terms of the rollout momentum and all, of course, while I mentioned that the order book is healthy, but at the same time, we need to also take into consideration the fact that there is a supply chain disruption that we are facing because we are in the middle of a geopolitical situation. I think Prachur can elaborate that maybe later on, but we need to be a bit cautious when we talk about forward-looking views.

Prachur Sah: Yes. So I think as Vikas was mentioning, there is a strong order book looking ahead as well for the next few quarters. However, I think given the situation, and there is a little bit of a tightness in the market in terms of tower supplies because that is dependent on LPG availability. Having said that, we have managed to mitigate some of those things by planning, by supply chain, working with the partners, etcetera.

So hence, looking forward, there are some factors which are not entirely predictable, but at the basis of it, the order book looks strong. Whatever supply chain disruptions happen, we are putting efforts to mitigate that and continue to deploy towers to meet the order book.

Vivekanand Subbaraman: Okay, great. My last question is on the dividend. So at the time of the Board resolution that you had sought to acquire towers from Airtel, you had mentioned that the funding of those towers will happen using debt.

And also the commentary in prior periods had suggested that there will be some element of distribution of fiscal 25 cash flow also - cash accruals also, which the management perhaps at a certain point of time, maybe last year, the management had taken a view that it was in the best interest of conservatism to hold on to that cash. Why has that cash not been released and only the cash flow generated for FY26 being decided to earmark as dividends?

Prachur Sah: So honestly speaking, I don't think the Board compartmentalized the cash flows in that category. I think what the Board did is they evaluated the full FCF, looked at the debt level that we want to maintain and decided to distribute the FCF by FY26. And as I said it earlier, the Board is committed to distribute the FCF to the shareholders and try to maintain the steady and progressive distribution going forward. Anything else on that?

Vikas Poddar: I think it's a very holistic view one needs to take. I mean, see, we are in a very dynamic situation, right? And basically, given the current situation, the current debt levels, etcetera, I think the Board has fully considered all aspects and finally decided to distribute dividends to the extent of about INR 37 billion, INR 38 billion. Whichever way you look at it, like Prachur said, you just can't compartmentalize all these things within, let's say, how much is pertaining to that particular

transaction and how much is from this year's cash and so on. But broadly, how we are looking at it is the cash flow for full year has been fully distributed.

Vivekanand Subbaraman: Okay, got it. Thank you.

Moderator: Thank you. The next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Yes. Thanks for the opportunity. I have a few of them. First from maintenance part which you spoke, which has led to higher costs, Vikas, in your opening remarks. Just wanted to understand, was this a one-time exercise or you think because the towers have been aging now, this will be an annual phenomenon for us and hence, the cost base has got reset?

Prachur Sah: So Sanjesh, I don't think that is the case. If you look at typically, historically as well, I think Q4 is typically marked by two things. One is Q3 and Q4 are the quarters where we have clear weather. So a lot of the operational and tower maintenance activities are scheduled in this part of the quarter because the weather supports it.

And secondly, in Q4 as well, what we are doing is preparing for the coming season. So I think typically, the network maintenance activities are lopsided towards Q3 and Q4. However, if you remember in Q1 call itself, what we've done is we have taken a conscious effort to spend a certain part of cost on improving the tower - doing more tower maintenance, strengthening activities as the portfolio is at a certain age.

However, it is not a structural cost that is going to permanently increase. There are some parts which are routine activities that is going to be continuously done with the rigor of making sure it is done. So I don't think the cost base is fundamentally reset.

I think our cost per tower still remains in line, or actually if you look at the holistic picture from the last 3, 4 years, our cost per tower has actually gone down. But there are certain elements of absolute costs that show up. So just look at the tower count and look at the cost with that mirror.

Vikas Poddar: Sanjesh, I just want to add one thing for perspective. I mean, while you're looking at the 3 months, but what is also important is to look at the full year, right? So sometimes you have activities skewed towards a particular quarter.

But from a full year perspective, what you will see is the tower cost or maintenance cost increase is not even reflecting the volume increase because we are offsetting a lot of these increases either due to volume or aging portfolio, etcetera, through the various efficiency initiatives that we are driving.

Sanjesh Jain: So because it's more like a seasonality, it sounds like a seasonality rather than a maintenance?

Prachur Sah: Sanjesh, operations is never binary in that sense. I think seasonality, portfolio maintenance, I think all this comes together, and that's what Vikas is saying. We have to look at the full year, you have to look at the volume of towers being added and look at the cost from that perspective.

Sanjesh Jain: Clear, clear. Just second question on the single tenancy towers. The assumption was that as Vodafone scales up, the single tenancy towers will come down. We don't have data for this quarter. But if I analyze the data for Q3, it appears that we have added more single tenancy tower, not just accommodating Bharti, but also accommodating Vodafone. Will this trend continue? And what is driving additional tenancy addition for Vodafone? I thought we have covered well pan-India during the Bharti rollout.

Prachur Sah: I'm not quite clear on the question, but let me try to answer. At the end of the day, both in Q3 and Q4, if I'm not wrong, our co-location additions have been higher than the tower addition. So fundamentally, there are single tenancy towers that are getting converted to multi-tenant towers. So that is the first point.

Secondly, for any customer to expand, they have their own network expansion strategy. So while bulk may come through second as a co-location addition, but there will be some single-tenant towers as well being added. So any customer when expands, look at both. The first priority is to come as a second tenant, but the network requirements of their network design will be based on the addition of a tower, whether it's a single-tenant or multi-tenant, so I will leave it at that.

Sanjesh Jain: No. Just let me probably clarify that question. Last quarter, we added 3,800 new towers. Bharti site count went up by 1,150, 1,200. That means we have added around 2,000 more towers in previous quarter than what Bharti has added, which I would attribute it to Vodafone, which appears quite a large number from a fresh tower addition for Vodafone. The base assumption was that considering both have 1,800 MHz frequency RF planning, a lot will overlap each of this network, but it appears that we will require to add more tower when Vodafone rollout starts.

Prachur Sah: Sanjesh, I think there is a correction. I think the assumption that every single tower that the difference that you mentioned between 1,100 and 3,000 is coming from the other customer, I think there's some gap to that because there are certain towers we also add for either customer where while they may not see a net addition in their portfolio, but it is typically at the end of the tenure, they move certain towers from other incumbents to Indus or otherwise, right?

So, I think there is a portfolio that we also add in our setup, which is moving the tower or the tenancy from someone else to Indus. So, I think it's not a direct subtraction that total Indus minus one customer is equal to the other customers. So, I think there's a big element of movement of towers from one tower company to other, which is not a net addition for a customer.

Sanjesh Jain: That's fair enough. Got the point. Just one last question on Africa. When should we expect operations to start? Probably 6 months down the line will be a fair assumption?

Prachur Sah: As I mentioned earlier, I think we are at a very close stage of starting our first tower deployment in Zambia. I think 6 months is more than a fair estimate. I think it's probably earlier than that. But we've got the license, and we are on the ground now. So yes, we are looking to put our first tower very soon.

Sanjesh Jain: Got it. And we have set up NOC and all right, in Africa? Or we will do it through India?

- Prachur Sah:** I think we will find a solution. We'll have to depend whether we manage from here or whether we do it locally. I think you'll have to see it. But I think as of now, the focus is to deploy the towers.
- Moderator:** Thank you. We'll take the next question from the line of Arun Prasath from Avendus Spark.
- Arun Prasath:** Vikas, Prachur, a question, once again, going to the sequential drop in the EBITDA that we have said. Okay. If I put it on a per tower basis, how we are looking at it? Is that there is a drop in EBITDA per tower on a sequential basis, roughly around INR 1,500 per tower per month. But not everything is coming from the same maintenance because, again, on a per tower basis, on a reported basis, it is just contributing 20% the increase, decrease is coming from the maintenance.
- It seems large part of the EBITDA per tower decrease on a sequential basis is coming from the revenue per tower or sharing revenue per tower. So, can you help us reconcile this difference?
- Vikas Poddar:** So, Arun, I think there's more than one reason for this. So of course, like I explained, there is some one-off sitting in the revenue, which is because of the settlements that have happened in Q4. So that's impacting the top line as well as the EBITDA. Apart from that, if you see the other lines, I think even the network maintenance, as we were explaining, is growing 5.6% quarter-on-quarter which is largely driven by the maintenance activities, etcetera, that we undertook in Q4. So that has impacted.
- Apart from that, if you look at the other expenses, we had some one-off there also, and that is also basically showing a big quarter-on-quarter increase because of the one-off benefits sitting in the previous quarter. So there are basically 2-3 reasons why EBITDA sequential performance in Q4 has been slightly worse off than the previous quarter. But broadly, I mean, we are still talking about a 55% EBITDA margin, which is quite healthy. And from a full year perspective, I think we are pretty much in line with our expectation of 55% plus sort of an EBITDA level.
- Arun Prasath:** Okay. The one-offs that you are saying, that is there in the Q3? And on the revenue side, you are saying that the negative one-off, is there on the revenue only on the Q4 but on the cost side, you are saying that one-off is there in the Q3 cost?
- Vikas Poddar:** That's right. So, there is a positive one-off in Q3 and there is a negative one-off in Q4. So somewhere the impact of that is getting more pronounced in the EBITDA.
- Arun Prasath:** Okay. No problem. I'll take this offline separately. My second question, again, I don't want to look at it from the Q4 basis. But if I look at it from the second half basis, I see 2 trends. One is that our exits in the second half is twice that of our usual annual run rate, I'm talking about second half FY26. Second, our energy margins in second half is again better than either the first or the second half in the previous year. This is something, how should we look at this?
- Prachur Sah:** See, I'll answer both of them one by one operationally and then you can comment on the numbers. See, as far as the exits are concerned and the churn is concerned, I mean, most of the churns are BAU- Business As Usual kind of a churn. And I think they typically get replaced by a relocation tenancy.

And it is typically done because of safety reasons or landlord renewal. So, the number is not that concerning for us because typically, these are offset by a relocation that we make, right? So from a tenancy point of view, there is no loss, right? And so this is an operational churn that in a large portfolio like this, we expect this to happen.

On the energy margin, I mean we have discussed this earlier as well. H2 seasonally is much better than H1. So, by default, the operating cost or the impacts or the variations that we see are lower in the second half than in first half. So, if you look historically as well, H2 is primarily driven by a seasonal improvement and H1 is primarily impacted by a seasonal impact.

Vikas Poddar:

I don't think there's anything major sort of something different that I have to say. I think what is very important to bear in mind is H1 has clearly more weather-related impacts and weather disruptions in our operation. H2 is generally better from that perspective. And hence, most of the maintenance and safety activities that we undertake are more skewed towards H2, which basically means as and when we build new towers and try to relocate from unsafe towers and so on, you see more exits in H2 than H1, right? So, there's always a seasonality angle in our business.

Arun Prasath:

Energy margins in H2 are even lower than the last year's H2. So that is like-to-like comparison, right? How do you explain that?

Vikas Poddar:

See, energy margin, Arun, I would suggest - one is energy margin is a function of revenue and cost and how we settle the differences, right? The seasonality will clearly show you the cost trend, and you will see the cost trend is better in H2 versus H1. The margin trend is a function of when you are settling things. And if we are settling things more in H2 then to that extent, I think it is a function of how things are getting settled at the timing of settlement, right?

So, I would suggest don't read too much into the margin. When it comes to margin, timing wise, things could vary, look at full year. When it comes to cost, look at seasonality.

Prachur Sah:

Yes. I think look at the margin on a year-on-year basis. If I'm not wrong, I think the margin this year is same or even slightly better than last year. So, I think look at a full year from an energy perspective.

Arun Prasath:

While we are on this energy margin topic, just hypothetically say the diesel price or grid electricity price has to go up, our absolute margins will remain, say, as a percentage, will it remain same and hence our absolute negative margin and energy will go up or the other way around, the negative energy margin remains same, but as a percentage, it will reduce?

Prachur Sah:

See, at the end of the day, the change in -- when it happens as a price, it impacts revenue and cost, right? So, it impacts both revenue and costs on almost a similar basis. So from a reconciliation perspective, I think the percentage may change because there will be some sort of an absolute difference, but it will not be a material change from a percentage margin point of view. Of course, the cost and revenue will change accordingly.

Arun Prasath:

So my understanding is if percentage remains same, then increasing price will further push down?

- Prachur Sah:** Yes. I would not say exactly the same. I think there will be an impact on the margin still, but the larger impact will be seen on the absolute revenue and absolute cost.
- Arun Prasath:** Okay. One final accounting clarification. I think earlier, we were talking about the annual escalation rate reflecting as part of the revenue growth. But my understanding is the revenue equalization standards would ensure that escalation should not be contributing to at least on an annual revenue growth, right, on a percentage basis?
- Vikas Poddar:** Arun, there are a lot of nuances in this in terms of the lease accounting. I would suggest we take this offline. We can take you through the workings offline.
- Arun Prasath:** Understood. Thank you very much.
- Vikas Poddar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saurabh Handa from Citigroup. Please go ahead.
- Saurabh Handa:** Thank you for the opportunity. These are actually both follow-ups to previous questions. Firstly, just back on the question of your tower additions, which have averaged close to around 4,000 odd over the last 3 quarters. And one of your large customers has been adding 1,500, 2,000. So you said the difference could be partly because of new tower additions for other customers as well as some potential churn that happening. Would one of these 2 factors have a higher bearing than the other? Just trying to get a sense of which one could be a bigger contributor?
- Prachur Sah:** No, I would not put a number because it varies by quarter. At the end of the day, it's a net tenancy addition to Indus, so it does impact the revenue positively. That is the main takeaway but the split is not a fixed number, as I said.
- Saurabh Handa:** Okay. Where I was coming from is because obviously, there's a lot of this chatter about renewals for the third customer and if that could be churn for you. So the point I was trying to add is, is there a potential offsetting factor? Do these cancel each other? I mean, I know you've said that there are a lot of considerations if a tenant chooses to move out from one towerco to the other. But I was just trying to get some more granularity on that?
- Prachur Sah:** See if I were you, I would primarily look at the net additions of the tower portfolio tenancy. I think that's where - because churn gets offset by relocation, it's not net tenancy addition, but it's not a net loss. However, if we get a tower from somebody else, where current operator operating with someone else and moves to Indus that's a net addition to Indus. So I would look at the overall net addition of towers and tenancies to Indus to make your own trends.
- Saurabh Handa:** And this is where you're saying that so far, the order book or pipeline is quite all right for the coming few quarters?
- Prachur Sah:** Yes.

- Saurabh Handa:** Okay. And just my second question was on the energy margins now with the 50% increase in bulk diesel prices, how does that impact your energy cost? So is there a lead lag impact where maybe it hits you first and then you pass it on. If you can just provide some sort of color on this?
- Prachur Sah:** No, there is no lag. I think we bill on actual. So as I was explaining earlier, the same question was earlier that once the retail pricing -- if the retail pricing has an impact, it will impact both our revenue and cost on an equal basis. The net margin may have a slight impact towards negative side, but the major impact comes on the revenue and costs on an equal basis, right? So there is no lag. We bill it as actually happens.
- Saurabh Handa:** But this actually did happen in March because bulk diesel prices were increased quite...
- Prachur Sah:** No. That was industrial diesel price. It was not the retail, we buy retail diesel.
- Saurabh Handa:** I was under the impression that our Company used bulk diesel. That's not the case, is it?
- Prachur Sah:** No.
- Saurabh Handa:** Okay, great. Thank you for the clarification. Thank you.
- Prachur Sah:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take the last question for today, which is from the line of Vedant Sarda from Nirmal Bang Securities Private limited. Please go ahead.
- Vedant Sarda:** Am I audible sir?
- Prachur Sah:** Yes.
- Moderator:** Yes sir.
- Vedant Sarda:** Just to clarify on our renewals. Since your contracts are structured tower-wise or site-wise, as you said. With respect to Reliance Jio for the tower-wise contracts that have expired, have there been any non-renewals or site exits from Jio?
- Prachur Sah:** No. I think there are -- for all the customers, we always have a portfolio which are not renewed, and we work with them and they get renewed yes. Even for Jio, there are certain tenancies that have expired which are still operating and some churn has happened, which we report. So I think it's not one or the other way. It's not that all the non-renewed have expired or have been churned. That's not the case. In fact, very minor percentages have been churned.
- Vedant Sarda:** Okay. And so the contracts where we have renewals happened, so that are at the same commercial terms as earlier contracts. So no incremental discount or price concession we have given to them?
- Prachur Sah:** Yes, if the renewal doesn't happen, I think we continue operating the same way.
- Vedant Sarda:** Thank you so much.

Moderator: Thank you, sir. At this moment, I would like to hand over the call proceedings to Mr. Prachur Sah for final remarks. Thank you, and over to you.

Prachur Sah: To conclude, FY26 reflects consistent execution across our strategic priorities, with our core business continuing to demonstrate resilience and steady growth, supported by healthy co-location additions and sustained customer network expansion. Our plan to expand into Africa is a testament to our agile approach to growth, which will also be enabled by investments in digital and AI-led capabilities.

Given our proven execution track record, focused on efficiency and long-term capital discipline, we remain confident in our ability to deliver sustainable growth and create long-term value for all our stakeholders. Thank you, and have a good day.

Moderator: Thank you, members of the management. Ladies and gentlemen, this concludes the conference call. You may now disconnect your lines. Thank you for connecting to audio conference service from Chorus call and have a pleasant day. Thank you.