



February 09, 2026

**BSE Limited**

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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 third quarter (Q3) ended December 31, 2025**

Dear Sir/Ma'am,

Please find attached the transcripts of Earnings Call conducted on February 03, 2026 on the Company's performance for the third quarter (Q3) ended December 31, 2025.

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  
Third Quarter ended December 31, 2025 Earnings Call”  
February 03, 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 the Indus Towers Limited Third Quarter ended December 31, 2025 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 the conference over to MD and CEO of Indus Towers, Mr. Prachur Sah. Thank you, and over to you, sir.

**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.

I am pleased to present our business performance for the quarter ending on December 31, 2025. Building on the momentum we saw in the previous quarter, Q3 witnessed a healthy pickup in tenancy additions particularly from one of our large customers. This reflects a gradual improvement in network investment activity as the operating environment for the customer continues to improve. Recent actions taken by the Government on AGR dues for one of our customers are expected to bring financial stability and are expected to aid its financial health, enable sustained investments in network expansion and capacity augmentation.

Our customer-centric approach, including the ability to deliver at scale with speed and precision is helping us garner a larger share of our customers' incremental rollouts as well as transition of the current sites.

Let me start by acknowledging unwavering commitment of our field force, who ensure seamless navigation of both geographical and weather-related challenges to deliver around-the-clock connectivity to the nation. During the quarter, our teams on the ground installed towers in remote regions of Lakshadweep, reinforcing our commitment to bridging digital gaps in geographically isolated regions. We also installed towers at Pangod Military Center, strengthening connectivity for a critical defense establishment. These installations have enabled secure, seamless communications for our defense forces and for local communities.

Turning to regulatory update, the Government continues to support the industry by enabling the telecom infrastructure players with progressive policies and reforms. The RoW Rules 2024 aimed at resolving interpretational issues and ensuring smooth deployment of telecom infra now have been notified in more than 33 states and union territories. We continue to engage closely with both the central and state authorities to advance the rollout of smart meters across telecom sites, which is expected to streamline energy management, improve cost transparency, support usage linked to customer billing and also pave the way for faster Green Energy Open Access implementation.

Moving to 5G, the total 5G base stations deployed in the industry stand at close to 520,000. Like I had mentioned earlier, although the pace of incremental rollouts has moderated, ongoing network densification continues to drive our loading revenues. With customers propelling 5G network rollout, we expect the loading on towers to further accelerate. As 5G data usage grows and data intensity increases, this is expected to translate into incremental requirements for capacity augmentation and selective site additions over time. Leveraging robust customer relationships and strong operational capabilities, Indus is strongly placed to play a major role in the next stage of 5G advancement.

As per the latest Ericsson Mobility Report, global 5G subscriptions reached over 2.8 billion by the third quarter of 2025, growing by 162 million during the quarter, while 4G subscriptions declined by 65 million. Global 5G subscriptions are expected to reach over 6.4 billion by 2031, accounting for around two-third of the total subscriptions as per the report. In India, 5G subscriptions are expected to account for 79% of the total mobile subscriptions by 2031, crossing 1 billion mark.

As per the latest TRAI report, the total 5G subscription base in India stood at over 361 million by the end of September 2025, growing by 39 million in Q2 FY26.

The data consumption story in the country continues to play out strongly, underpinned by the continuous migrations of users from 2G to 4G and 5G. For the quarter ending September 2025, as per TRAI, the total data consumption and average monthly data usage per user grew by 23% and 19%, respectively. According to TRAI, 5G usage alone grew 15% quarter-on-quarter, accounting for 35% of the total data traffic in Q2 FY26, up from 32% in Q1 FY26.

As data usage is growing and 5G is becoming widespread, the demand for robust tower infrastructure stays high. Increased network traffic requires wider coverage and higher capacity, supporting steady growth for passive infrastructure providers. Our proven track record and deepest coverage across the country makes us as a preferred partner in ongoing network expansion for our customers.

Moving on to operational performance. We registered strong colocation additions during the quarter, driven by our ability to capture a major share of the customers' rollouts, coupled with pickup in one of the large customers' ongoing network expansions. We added 3,548 macro towers and 6,105 corresponding colocations during the quarter with an incremental tenancy ratio of over 1.7x. This translated into a year-on-year growth of 10.6% and 9% in tower and colocation base, respectively. As a result, total macro tower and colocation base stood at around 259,600 and 420,000, respectively. Our industry-leading tenancy ratio remained stable at 1.62. In addition, we closed the quarter with a total of 14,000 lean towers, making the tower portfolio at 2,73,600.

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 4,000 sites with solar access during the quarter, taking the overall sites to about 40,000. Diesel consumption on our sites reduced by 4% year-on-year in Q3 FY26, this is despite 9% year-on-year increase in colocations 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 uptime of 99.976% in Q3 FY26.

Let me now provide an update on the 4 core strategic pillars that we have undertaken - market share, cost efficiency, network uptime and sustainability.

On market share, we remain a preferred partner for our major customers to enable large rollouts for them. A major customer has seen acceleration in network expansion, and we are able to capture a large share of its rollouts given our expansive tower network, reliable service quality and swift on-ground execution. Our long-standing relationship by working closely with the customers in their journey of evolving network priorities and long-term deployment plans enables us to garner larger share of their transition of portfolio as well. This was complemented by continued progress in our IBS deployments during the quarter, along with the deployment of hybrid solutions for the likes of DMRC and in the forest corridor. Collectively, these developments strengthen our market positioning and deepen our network footprint to serve our customers better.

Cost discipline is ingrained in our ways of working. We continue to work towards eliminating wasteful costs to drive operating efficiency, predictability and fundamentally streamlining cost structure. We have accelerated use of digital tools, standardized processes and strengthened governance mechanism to achieve our targets.

Optimizing energy bills is the key to our cost efficiency agenda. We are deploying energy-efficient solutions, upgrading our legacy sites with solar access and energy-efficient batteries to make our network greener and sustainable. Over 40,000 sites are now deployed with solar access. In addition, we have deployed more energy-efficient lithium batteries in the last 3 quarters as indicated in the previous earnings call. These initiatives not only reduce our reliance on diesel but also support improved uptime and a structurally lower energy cost profile.

On the capex side, we follow a very disciplined capital investment approach with robust controls and governance in place. We have standardized our bill of quantity for different types of tower sites, and any deviation goes through a comprehensive assessment and approval process. That said, we continuously work on improving tower design, optimizing use of material and efficient procurement. All of this is done without compromising on customer experience.

We are seeing notable outcomes of these initiatives, and we believe there is a lot to be done in a large site base and continue to strengthen our competitiveness.

Thirdly, service reliability is paramount to us, and we continue to uphold the industry best standards. We are at forefront in adopting advanced digital tools and data platforms to strengthen our customer servicing with a structural resolution to the pain points.

I would like to spend some time briefing you about our digital transformation journey. Digital adoption is no longer a project for us. It is central to our operations. Over the last few quarters, we have been advancing our digital transformation agenda by progressively converting our tower portfolio into fully digital infrastructure assets. Sites are increasingly being equipped with IoT connectivity, fuel sensors, lithium-ion batteries, solar panels, high-efficiency power systems

and smart meters, creating an integrated digital stack across the network. This provides us with real-time asset level visibility into performance dashboard, energy consumption and operational health. It has enabled faster issue identification and more informed decision-making at both central and field levels. Automation and analytics are reducing manual interventions, improving asset utilization and allowing our teams to focus on higher value proactive network management.

We are also leveraging AI-led image and video analytics to streamline approvals, enable preventive maintenance and accelerate field closures. Collectively, this is improving uptime, enhancing operational control and safety, lowering costs and allowing our teams to operate more proactively and efficiently at scale.

Looking at ESG, a priority for the organization. Regarding the 'Environmental' dimension during the quarter, we completed a comprehensive climate risk assessment across our operations, enhancing our understanding of physical and transition risks and embedding resilience into our long-term planning. Our ongoing efforts to transition towards cleaner energy continues to improve the grid emission factor. Through partnership with 1t.org, we have planted 260,000 saplings this financial year, contributing to national carbon sink. Additionally, 100% of e-waste from battery disposal is recycled.

On the workplace, we continue to see improvement in our gender diversity at 16.6% in Q3 from 15.8% in Q2. During the quarter, we rolled out Digital Leap program for employees focused on building digital and AI capabilities across the organization. This initiative reflects our continued focus on investing in our people and equipping them with skills required to make them future ready. We also launched Prerna, a women-led leadership development initiative focused on enabling senior women leaders to mentor and guide women across the organization. The program is designed to build leadership capabilities, support career progression and create a stronger pipeline of future women leaders, reinforcing our commitment to inclusion and long-term talent development.

In CSR, as part of our flagship program, Saksham, our smart classroom initiative has imparted digital literacy training to 600 students and 130 teachers, impacting 3,500 individuals through community awareness sessions. This initiative helps bridge the digital divide and empowers marginalized communities through technology. Additionally, in association with the Bharti Airtel Foundation, we support 1,100 Government schools across 12 states and union territories under the quality support program. Additionally, our Digital Transformation Van has now touched over 136,000 lives this year.

As part of our other flagship program, Pragati, we conducted a flood relief initiative in affected areas of Solapur, Nanded and Rudraprayag distributing relief kits to over 2,000 families. Through these flagship programs, we managed to touch over 23 million lives by Q3. We are proud to see our efforts being recognized at the ET Infra Leadership Awards 2025 for the best CSR initiative alongside infrastructure development.

Our ESG efforts were recognized by multiple rating agencies, who conduct a systematic and thorough review of Company's ESG practices based on a number of parameters to arrive at a final rating. Our Sustainalytics rating improved from 18.1 to 17.8, while our CDP, Carbon

Disclosure Project, rating improved from 'C' to 'B-' and DJSI, Dow Jones Sustainability Index, score increased from 47 to 53.

Furthermore, to drive ESG practices across our value chain, we are conducting an ESG maturity assessment of our partners. This approach supports our objective of embedding ESG as a core enabler of sustainable growth across our ecosystem while reinforcing transparency, resilience and shared value creation.

I will now provide a brief update on our Africa plan. During the quarter, we made further progress on our expansion by moving closer to execution readiness. We have set up a holding structure through the incorporation of wholly owned subsidiaries in UAE and at the local country level in each of our markets, establishing a clear country-level execution framework.

In parallel, we are progressing on key workstreams, including licensing and regulatory approvals, supplier ecosystem finalization and operating model suited for local needs. We will take our learnings there on efficient tower design, cost architecture, remote monitoring and energy efficiency for local conditions.

As I had mentioned earlier, we will commence deployments in a phased and disciplined manner while building a strong foundation for sustainable long-term growth in Africa. I reiterate that the Africa opportunity is a long-term growth decision, and we remain focused to demonstrate differentiation to customers and create value for shareholders.

I will now request Vikas to take you through our financial performance for the quarter ending December 31, 2025, 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 ending 31<sup>st</sup> December 2025. During the quarter, we were pleased to deliver strong colocation additions underpinned by pickup in network expansion activities by a major customer and our ability to garner a larger share of our customers' rollouts.

Moving on to the financial performance for Q3, total revenues increased by 7.9% year-on-year to INR 81.5 billion. Core revenues from rental were up 9.5% year-on-year to INR 52.7 billion, underpinned by healthy colocation additions. On a sequential basis, our reported gross revenues were lower by 0.5% due to lower energy revenue, which is an outcome of both our cost optimization and seasonality-driven reduction in energy cost. Core revenues increased by 0.6% quarter-on-quarter on a higher base of Q2 FY26 due to certain reconciliation benefits in that quarter.

On profitability, reported EBITDA declined by 35.6% year-on-year and 2.3% quarter-on-quarter to INR 45.1 billion. The EBITDA margin was lower by 37.4 percentage points year-on-year and 1 percentage point quarter-on-quarter to 55.3% in Q3. I would like to remind you that Q2 FY26 and Q3 FY25 included write-backs of approximately INR 2.1 billion and INR 30.2 billion, respectively, relating to the collection of overdue receivables from a major customer. Adjusted for the write-backs, EBITDA was up 13.5% year-on-year and 2.4% quarter-on-quarter. Our ongoing cost optimization program continued to aid our margins, supplemented by lower network maintenance costs quarter-on-quarter owing to seasonality.

Our energy margins were at -2.8% in Q3 compared to -4.8% in Q2 and -3.4% in the same period last year. The improvement in margins on a year-on-year basis is a reflection of our focused efforts towards reducing diesel consumption at our sites through a transition towards cleaner sources of energy, deployment of energy storage solutions and increasing use of technological interventions for advanced monitoring at our sites. Prachur spoke about our focus and the progress we have made on our digital transformation journey.

Our profit after tax declined by 55.6% year-on-year and 3.4% quarter-on-quarter to INR 17.8 billion. Adjusted for the one-offs, our profit after tax grew by 14.2% year-on-year and 5.6% quarter-on-quarter.

Our return ratios declined sequentially with reported pre-tax return on capital employed and post-tax return on equity standing at 20.3% each on a trailing 12-month basis. The decline was largely attributable to lower profits compared to past period on account of negligible provision write-back in Q3, as I alluded earlier. Excluding this impact, underlying return metrics remain robust.

In this quarter, we generated a free cash flow of INR 7.9 billion compared to INR 3 billion in Q2 due to a combination of better operating performance and lower capex. Our trade receivables increased by about INR 4.5 billion during the quarter. This was due to a timing gap and collections were subsequently received in January.

In summary, the quarter was marked by solid financial performance and excellent execution. Our business continued to deliver colocation growth with margin improvement supported by cost optimization and operating leverage. Continued investments in digital capabilities are enhancing operational efficiency and asset performance. Overall, we remain well positioned to sustain returns and create long-term shareholder value.

With that, I will now hand it back to the moderator and open the floor for questions. Thank you.

**Moderator:**

The first question is from the line of Vivekanand S from Ambit Capital.

**Vivekanand S.:**

The first one is on your revenue growth. So you reported on an adjusted basis around 1.5% sequential revenue growth and around 9.6% rental revenue growth. Now my key question here is, how long will this revenue growth sustain given that now you would have some visibility of the capex plans of all your key customers?

And once this capex phase that is perhaps for the 3-year - upcoming 3-year period to catch up with peers, the key customer will no longer spend as aggressively. In that scenario, how should one look at your revenue trajectory? That's question one. The second one, I will ask after you answer this one.

**Prachur Sah:**

Vikas will comment on the revenue. But broadly speaking, from a macro picture point of view, I think the performance on tower and tenancy growth is what we have seen so far. I think it is a combination of what the customers are doing in terms of network expansion and how Indus is able to bring tenancies, you know, by adding operational value in terms of how we can deliver better uptime and better energy cost.

So from a growth point of view, I think as I mentioned in my previous quarter as well, while FY25 was an abnormal year of expansion, but subsequently as well, we have continued to add a good amount of portfolio in towers and tenancies, and that expectation continues currently based on our order book. So I think that order book remains strong. But exactly on the revenue numbers, maybe Vikas, you want to comment on it?

**Vikas Poddar:**

Yes. So, Vivekanand, I think while we continue to see a good order book, I think it's important to understand that there are various drivers of revenue growth. Apart from towers, there are also the tenancy additions or the colocation additions. There is loading in the form of 5G or additional equipments on 4G. There is also the annual escalation, etcetera.

So while the order book continues to be there, any variation in the order book would, of course, impact growth to that extent. But then the other revenue drivers would still continue, right? So we cannot give you in terms of numbers, any outlook or any forward-looking statement. But directionally, I can tell you that the other drivers of growth will still continue even if the towers slow down at some point.

**Vivekanand S.:**

Okay. This is very helpful. My second question is on the way you are looking at the balance sheet now. See, we've had a fairly long period of elevated capex for Indus Towers, right? The normal capex intensity for this business prior to this massive build-out of network by Airtel starting FY24. That -- I mean, this seems like an event that happens only very rarely, right?

So my first question in this regard is, how do you see the capex intensity of the business, say, heading into FY27, FY28? And in that light, how should we think about cash return plans and the balance sheet optimization that you've been discussing about in the past?

**Prachur Sah:**

I mean, in my mind, Vivekanand, the question is quite linked to revenue as well, the same. As Vikas was mentioning, I think the capex is a combination of what we do in maintenance and growth. The growth includes tower additions, tenancy additions, layer additions from the customer, whether it be 4G, 5G, solar deployment and additional customer initiatives where additional battery banks, etcetera, deployed to provide better energy service.

So I think from a capex point of view, as I said, I think our growth remains robust, including all these parameters. Of course, FY24 was an aberration. But even FY25, FY26, I think we have continued to deliver those tower tenancies and the upgrades in the form of the layer additions of solar or batteries that we have added based on the customer ask. So I think that remains robust.

So till this growth opportunity exists, I think the capex will be maintained. And then once the growth moderates, the capex will be driven by maintenance and operations. Vikas, anything you want to add?

**Vikas Poddar:**

I just want to add, Vivekanand, just to elaborate, first of all, I think capex apart from towers also gets spent on when we upgrade a site or when we actually share a site and enable the tower for sharing. And then there is maintenance because we also have an aging portfolio and so on.

Directionally, I think you're right that if the tower rollout slows down, then to that extent, we should see capex easing at some point of time. But that's basically more like, let's say, a 3-, 4-

year sort of a view. I mean it is very difficult to really give you any sort of direction in terms of next 12 months, what's going to happen.

We still have an order book, which will basically continue to see capex. And to that extent, it's a good capex because we will be enabling growth through that, right? So from a 2-, 3-year perspective, I think you can expect that things will ease out a bit.

**Vivekanand S.:** Sure. This is helpful. If you could also answer my question on the balance sheet optimization and cash returns in light of these comments that you gave on the capex side?

**Vikas Poddar:** So as far as cash returns are concerned, I think we are basically cash positive. Our balance sheet is quite healthy. We have been able to sort of overcome the pressures that we had on the receivable side. I think when you talk about optimization, I guess you're basically implying leverage in the book side, right? So currently, we are under levered and there's a lot of headroom there.

Given the right growth opportunity, we will certainly be open to leverage. I think that is certainly there in the mind. And of course, the development with one of our customers is a big news for us. I mean that's a very, very positive development. So let's see how a couple of quarters go. I think things are heading in the right direction.

**Moderator:** The next question is from the line of Rishabh Dhancholia from HSBC.

**Rishabh Dhancholia:** First, on the EBITDA margin. So EBITDA margins have been quite robust this quarter. If I see the sharing revenue margins, it's already at 87%, and overall, EBITDA margins is around 55%. Just wanted to check if these margin levels are sustainable? And can we build even more from the current levels? And what would be the key drivers of that?

And second question would be on capex. I would like to understand more on the capex side. See, the 9-month FY26, the capex is up by 40% around and it's around INR 6,500 crores. So how should we think about this forward? Because -- we will continue to do battery replacement. Solar site is also at like around 15% of the total tower portfolio. So should we see the capex to continue to trend around like INR 7,500 crores annually for next 2, 3 years? Any comments there? Thank you.

**Vikas Poddar:** Rishabh, let me answer the EBITDA question first. I think we do see an improvement in our EBITDA margin in Q3, particularly, and that's primarily due to some seasonality benefits, particularly within our energy. Also, as you can see, I mean, the negative spread as I was talking about, has improved. So that is really boosting EBITDA.

So there is a lot of seasonality element that is there. Apart from that, as we spoke about earlier, I think there are a lot of digital interventions, process interventions that we are doing to drive operational efficiency and productivity within our business. So that is also helping our margins.

I think -- when it comes to whether this is something that we can sustain going forward, you should take a longer-term view because quarter can have some seasonal aberration. So I think

you should generally look at a slightly longer term, which is more like a 9-month or a 12-month period for that.

Coming to the second part, capex, like we answered earlier, I think there's nothing new to add. Broadly, the capex this year has been pretty much in line with last year, and that's driven by the towers and the upgrades. So they are largely growth capex and basically whatever we spend on maintenance, also keeping in mind that many of our towers are also ageing.

So we do need to spend on maintaining and strengthening those towers. I think going forward, as we mentioned earlier, order book is still there. We do expect the capex to remain elevated for some time. But at some point, if you take a 2-, 3-year view, then at some point, we should see some easing there.

**Rishabh Dhancholia:** Right. Thanks. If I can squeeze in one more. If I can get clarity on the Jio upcoming renewal, like, what is the quantum of Jio sites coming up for renewal? And what have been the initial discussions with the Company? Anything to highlight over there?

**Vikas Poddar:** We would not want to get into customer-specific discussions, Rishabh, I think that's basically a bit confidential. So we don't want to really get into that, if you don't mind.

**Moderator:** The next question is from the line of Sumangal Nevatia from Kotak Securities.

**Sumangal Nevatia:** Sir, first question is on the dividends. One is -- I want to understand, is there anything which is holding us back? Or is it just maintaining the timeline of reconsideration at the time of annual results? Or any further clarity which we are waiting? So one is that? And also, given -- will there be any reconsideration in the form of payout given the recent buyback tax changes in the budget?

**Prachur Sah:** So as I had mentioned earlier in the previous call, at the time of annual results at the end of Q4, I think Board should look at performance and make a decision. And Board is committed for distribution to the shareholders. So I think the timeline remains as was committed earlier, right?

As far as the new change that just happened a couple of days ago, I don't think I want to offer a comment right now. When Board will consider the options of distribution in Q4, I think all the options will be put on the table and a call will be made.

**Sumangal Nevatia:** Appreciate. But generally, I mean, whatever clarity was awaited, do we have it or any further detail we are waiting for us to kind of resume the dividends?

**Prachur Sah:** No, as I said, I mean, there is -- I think Board is clear that they are committed to provide distribution and that discussion will happen at the Q4 and the decision will be taken.

**Sumangal Nevatia:** Understood. That's clear. Second question is with respect to our investments in solar panels, smart meters, lithium batteries, is it possible to share some broad mix of the growth capex, which is getting invested here? And in general, how -- I mean, possible to quantify how is it helping us in reducing the negative energy spreads and the journey over the next 2, 3 years?

**Prachur Sah:** So I think I just want to clarify one thing. There is a growth capex. When we say growth capex, it is determined by what customer gives us an order for, right? So if a customer places an order

to put a solar panel, we put the solar as the part of a customer request and similarly goes for batteries.

As far as smart meters are concerned, I think smart meters is driven by the Government's drive to put smart meters on all EV connections, not just at Indus Towers, but everywhere. So I think that is driven by the DISCOMs. Our role is to engage with the DISCOMs and work with them to get them installed as quickly as possible.

So growth capex is driven by customers. So we have an SR and we have a return. We have an order book and we get return on every single request that comes through when it comes to growth capex. So I just want to distinct between a maintenance and a growth capex. I think that's the difference.

**Sumangal Nevatia:** Okay. And generally, what would be the journey of going towards neutral energy margins? Is it possible to lay some timeframe or some trajectory for next 2, 3 years?

**Prachur Sah:** Yes. See, as you see, right, I mean, what we are trying to do in our energy initiatives, and I probably summarized a little bit in my call, I think enabling the sites with IoT devices, removing diesel from the ecosystem, smart meters providing us the ability to get the right EB bills at the right time, so we can predict and have transparency on the consumption.

All these initiatives are taking towards removing any inefficiency that is there in the system and move towards the ideal cost, which will be zero margin sort of setup in pass-through regime. So that's a work in progress. I won't put a timeline exactly on this one. But I think as we do site-by-site basis, we are seeing the improvement that will be reflected in the results and initial indications are positive. However, there is still a journey to be done in getting there.

**Sumangal Nevatia:** Understood. If I may just ask one more question. It's on Africa, foray. I mean, versus last quarter, the incremental learnings, is it possible to share what sort of investment pace we are looking at and whether we are very clear with respect to if it's going to be organic or not inorganic and the overall return profile in that geography?

**Prachur Sah:** So I think you asked three questions in the same question. So I'll try to give you the answer. The first and foremost, as I mentioned earlier, current focus for us in Africa is greenfield expansion. So I think we are looking currently at organic.

We are in the initial stages of doing an assessment for the three countries in terms of operating, how the sites are built, what kind of supplier ecosystem there, how we can add value in terms of reducing cost and create a differentiation for ourselves with the customer. So that is the current focus.

So we are laying down the basic foundation and groundwork to offer a portfolio that is competitive in terms of value adding to the customers as well. So I think that is the stage. So over the next few months, as we have set up the entities and we get licenses, we will start looking into deploying the towers. I don't know exactly when. I think that is something that we are working on.

As far as the return profiles are concerned, I think the discussions with the customers have initiated in terms of what kind of structure we will operate in. And as we start deploying, you'll probably get more clarity, right? So there's a lot of work in progress. It's a long-term strategy. So I think the answers will come as we start moving into execution.

**Moderator:** We'll take the next question from the line of Saurabh Handa from Citigroup.

**Saurabh Handa:** I have two questions. Firstly, on the tenancy outlook. So you spoke about a fairly healthy order book right now. And based on recent developments with one of your customers, can we assume that this current run rate of 6,000-odd tenancies could sustain over coming quarters and maybe even accelerate?

**Prachur Sah:** Yes. I would not pin a number to it, right? But as I can say, I can just give you a subjective view right now. I think we'll continue to work hard to make sure that we get the larger portion of any rollout that happens from any of the customers. So that is the direction that we are working on, and we continue to work to get the maximum market share that is out there.

**Saurabh Handa:** Okay. And in terms of the current order book visibility also, there's nothing that you can highlight at least for the next 1 or 2 quarters?

**Prachur Sah:** Yes, I would hesitate to go on the numbers in this call.

**Saurabh Handa:** Sure. And just a second question on Africa once again. In terms of funding of your plans there, I mean, you did say that it will initially be organic. But any clarity you can provide on how you plan to finance this? Will this largely be raising debt at, say, the UAE subsidiary level? Or any other further colour that you can provide on this?

**Vikas Poddar:** So, Saurabh, we are working through all these things. I think we have the infrastructure in place in terms of the holding entities, the subsidiaries in the -- each of the countries and so on. I think we are -- and largely, we do believe that whatever initially, whatever capital would be required, although nothing major, but whatever would be required would be debt funded.

We are yet to decide at what level we will be sort of arranging those debt fundings and all. It could be -- one of the possibilities, it could be at the UAE level. It could also be at the GIFT City level and so on. So we are yet to work on those details.

**Saurabh Handa:** Okay. So the India free cash flow generation will largely be available for payouts, which you will consider with 4Q results. Is that fair to conclude?

**Prachur Sah:** Yes. And again, I would like to reiterate, Africa is not a short-term strategy. It's a long-term strategy. It's organic growth driven. So I think from a Q4 point of view, I don't see any impact that we should be considering as far as Africa is concerned.

**Moderator:** The next question is from the line of Krish Mehta from ENAM Holdings.

**Krish Mehta:** I just wanted to ask if you can provide clarity on what is the current outstanding due from Vodafone Idea and especially the overdue part?

- Prachur Sah:** I think we don't have any overdues left.
- Krish Mehta:** So it's fair to assume there's no current outstanding from them?
- Prachur Sah:** Yes, it's business as usual. Based on the credit period as per the MSA.
- Moderator:** The next question is from the line of Arun Prasath from Avendus Spark.
- Arun Prasath:** First question once again on dividend. Since the Board will need to take a call in the March results, if you can recollect and say what exactly were the reasons deliberated by the Board when they deferred the decision to March? And maybe -- and is there the answers that is required to make the decision? Do we already have a clarity in our mind? That's the first question.
- Prachur Sah:** See, I would not preempt the discussion that's going to happen in Q4. So I would not comment on what will be the factors in Q4. But as we had informed last couple of quarters ago that there was a committee that was set up that came in and made recommendation. At that time, the two main considerations were what were the conditions for a major customer. At that time, there was a less clarity in terms of what was the plan for that particular customer for their financial stability.
- And secondly, what was the growth available out there, both in terms of organic and inorganic, if there are any opportunities to capitalize. So I think these were the two considerations. And what I can say is, yes, there is definitely a bit more clarity on these two when we enter Q4, but I would not preempt the discussions that will happen in Q4.
- Arun Prasath:** Second, when we acquired assets from Bharti Airtel last December, we said that we will -- anyway, we will fund that acquisition via debt funding. But since then, our overall borrowings have almost reduced by half. So when we consider the dividend distribution, say, next quarter, we will also be including this amount as also part of the fund available for the distribution?
- Prachur Sah:** Again, as I said, I think everything will be considered. I mean, I don't want to preempt the Board discussion right now, but everything would be considered and the Board is committed for distribution to shareholders.
- Arun Prasath:** My next question is on the 5G Infill towers. Many of your customers are indicating that they have still a lot of unutilized capacities at each cluster or at the site level. When do you think we may get infill tower orders on an accelerated basis on 5G?
- Prachur Sah:** So to be honest, I'm not very clear. I think that's not the feedback we have from the customers. I think the customers are looking to continually expand their network. There is a significant amount of layer addition that all the customers are doing.
- And I believe the 5G initial deployment, which kind of happened with our major customers will continue to pick up pace and the customer, which was not doing the earlier rollouts will also pick up the pace for 5G. So I think infill or not, the pace would continue to pick up in different ways. So I'm not very clear on the...
- Tejinder Kalra:** Arun, just to add on to what Prachur just said, as of now, the customers primarily are adding the 5G layer to their existing sites, and they are still not 100% there. That progress is still continuing.

Different customers are at different stage of penetration on the existing sites. So in the near-term, we don't see infill 5G stand-alone sites coming up. But again, it depends upon how the data takes off and how the network capacities choke.

**Arun Prasath:** Just if you can give some colour on what is the rural urban distribution of the towers built in the last say 12 to 18 months, that would be very helpful in forming your views?

**Prachur Sah:** I would not have the breakdown. I think FY24, FY25 saw a large surge of deployment in rural. I think there is still continued focus to expand the rural towers. I don't have a mix to give you right now in the last 12 months, but we can get back to you offline if you need something.

**Moderator:** The next question is from the line of Sanjesh Jain from ICICI Securities.

**Sanjesh Jain:** I have two questions. First on our strategic pillar on the market share. If I look at the market share for this quarter, if I look at incremental tenancy apart from the tower addition, that's around close to 3,100 sites or 100 tenancies. And if I look at Vodafone has added close to 6,500 sites in this quarter?

And if I try to calculate the incremental market share from this data point, it appears that incremental tenancy market share for us is less than 50%, while we were at around 70%, if I go back and work it out. Any comment you want to make on the competitive intensity and our ability to maintain the market share in the incremental tenancy rollout in the market?

**Prachur Sah:** Yes. I think probably you need to look at the information a little bit differently because what you're looking at from what Indus rolled out is only the incremental tenancies. However, we also have some new towers that have been built for the other customer, right, for the customer that is rolling out the network.

So I think you have to look at the data. And plus some of the site additions may also include the layer additions. So I think we have to look at the data holistically to conclude. We know for a fact that we are getting a major share of the rollouts from towers and tenancies perspective.

**Sanjesh Jain:** Got it, got it. Then we'll wait for all the data to get published. Thanks for that, Prachur, for clarity. And second, on the growth -- rental revenue growth, if I look at 9.5%, can you just help us understand what is the organic revenue growth for us in this 9.5%? I think we also did an acquisition of towers from Airtel. If you strip that out, what should be the organic growth in the rental revenue for us on a like-to-like basis?

**Vikas Poddar:** So, Sanjesh, I'll take that. If you exclude the inorganic element, then inorganic element was a little more than 2.5% between 2.5% to 3%. So I would say roughly 6.5% to 7% is our organic growth from a year-on-year perspective.

**Sanjesh Jain:** Just one last question, sorry. But can you help us understand for next 2 years, how do you look at the energy losses to narrow down? Any sense or direction you can help us? We know that we have told that we will breakeven at some point of time. But in next 2 years, how should we visualize it?

**Prachur Sah:** Sanjesh, as I probably answered the question earlier as well. I think from an operational perspective, there's a significant amount of work that we are doing to remove any inefficiency that is there in the energy operations. Now I would not comment on what's going to look like in a timeline perspective, 2 years, 3 years, whatever be the case.

What's important is, I think to show a continuous effort on the ground in terms of putting the infrastructure in place to reduce the diesel, right, through solar, through batteries. And that will eventually bring down any inefficiencies there is. So I think the improvement curve or the curve will move towards improvement in energy, but I would not put a year, a number of years to that right now.

**Sanjesh Jain:** All this energy losses is largely because of the diesel bill? Will that be fair assumption?

**Prachur Sah:** No, I think it's a combination. There is a seasonality impact. There is diesel, there is EB as well. So I think it's not one factor that makes the energy the way it is. And it is also what agreements we have with our customers as well. Every customer has a different agreement.

So I think it's a combination of multiple factors. So I would not say diesel only, but what we do in terms of on-ground actions, diesel is a big element in terms of making sure that the cost is controlled, and we are able to put cheaper sources of energy to run the operations.

**Moderator:** The next question is from the line of Aditya Suresh from Macquarie.

**Aditya Suresh:** I just had one question on the competitive dynamics. Can you just talk through kind of any changes which you're seeing in your tenancy market share with a more -- potentially more aggressive second player in the market?

**Prachur Sah:** I mean, I won't comment on the competition per se. But what I can say is what we have done is we are offering a competitive offering to our customers. Secondly, I think the speed to market in terms of building a tower and tenancy, I think we will continue to do in terms of how we can turn that around for our customers.

And I think last but not the least, our operating efficiency that the customers would see both in terms of cost and uptime will remain a differentiator. So I think we will continue to set the benchmark as far as the industry is concerned so that we can keep getting the majority share of the market.

**Aditya Suresh:** If I may ask just a follow-up. So the number 2 player, he has a tenancy ratio of slightly above 1.2x. We're at 1.6. There's obviously an ambition from that player to expand his tenancy ratio. So are you seeing any kind of price deflation at all in the market?

**Prachur Sah:** I don't think so. I think as long as we are competitive. I think as long as Indus is competitive, that's what matters to us in terms of our focus to deliver the share. And I think at a TCO basis, we are very confident that we offer a better solution to the customers.

**Moderator:** The next question is from the line of Gaurav Malhotra from Axis.

**Gaurav Malhotra:** Just had one or two questions. On Africa, while I understand you want to go the organic route. But just from an understanding perspective, obviously, that's going to take time. It's going to be a pretty slow process. So was that always by design or there are just not enough assets available to purchase?

**Prachur Sah:** No, I think it is by design. I think as probably I mentioned for the first time we announced Africa, I think the idea is to grow organically to establish ourselves in the market. And if any inorganic opportunity is considered, I think it will be at a valuation that we can agree upon or that will make sense to us.

So I think it is a conscious decision to focus on a greenfield and organic opportunity. And if an inorganic opportunity comes its way, then we will look at it. But right now, the priority is to grow organically.

**Gaurav Malhotra:** Just a follow-up, if I may. You would obviously be a pretty late entrant. There are established entrants, towercos with existing relationships. Obviously, there is Bharti Airtel Africa there. But just wanted to get an understanding from an economic perspective, buy versus build.

And having -- where the tenancy may be more than one, you'll probably start with a single tenancy kind of a structure. So just wanted to get a sense of from an economics perspective, what do you think -- how do you sort of look at this scenario?

**Prachur Sah:** I think the answer may not come from numbers. It'll come from the strategy. I would say, I think the first priority is what is our right to win. I think the first thing is based on our learnings, extensive learnings in India, what kind of cost structure that we can do in terms of capex per tower, how we can operate the towers more efficiently when it comes to energy and O&M.

So that will create a differentiation in front of the customers on what we can offer as a TCO to the customer. So once we create that value, then tenancies and towers will come its way. So I think having an anchor tenant definitely helps because we get a head start in terms of a certain number of towers that we can make with an anchor tenant. And then basis the cost performance and operational performance and the extensive learning that we have done in India and how we can deploy there will create a differentiation to get more tenancies.

So I think Indus being one of the largest tower companies in the world and over the last few years, our effort has been to create an ecosystem which is very cost efficient and performance efficient to the customers. We are confident to make a differentiation even if we are late in entry to the market. And as we expand, we'll work to capitalize on that differentiation and get more towers and tenancies.

**Gaurav Malhotra:** Would you be having a ROFR with Airtel Africa?

**Prachur Sah:** I would not comment on that right now. I think it's a discussion that is actively being worked with the customer.

**Moderator:** The next question is from the line of Aditya Bansal from Motilal Oswal.

- Aditya Bansal:** You talked about helping with migration for a key customer in your opening remarks. Can you provide some colour on the contribution from the same this quarter? And also any sense on the potential opportunity size here for Indus?
- Prachur Sah:** I'm sorry, I didn't understand it.
- Vikas Poddar:** Aditya, could you repeat your question, please?
- Aditya Bansal:** Basically, like in terms of market share gains, apart from new build-outs or the new build-outs for telcos, you also mentioned like you are looking at higher share from the existing migrations like from other towercos. So like in terms of this quarter, any significant contribution from there or any sense on the potential opportunity size there?
- Prachur Sah:** So I would not give you the numbers, but I think it should be self-explanatory when you look at what the tower rollouts have been done by each of the customers and what additions we have made. So I think that's for you to look at. But again, as I said, our effort right now is to create a differentiation where we are very competitive commercially, but we are performing superior on the operations side to create an attractiveness for our customers to move to Indus, and that will remain the focus. And as we do that, I believe the numbers would come.
- Aditya Bansal:** Sure. And in terms of the tenancy exits, they have been higher this quarter. Any particular operator or like what is driving the same?
- Prachur Sah:** I would not say it's a particular operator. I think it's a combination of reasons. And I think when you see the -- there are some tenancies that go, we actually rebuild those towers, which is typically when the tower becomes old or the building is unsafe and then we end up relocating the tower.
- So while it seems like a churn, but actually, there is no impact to the building because we are offsetting that with the tower. So it's a combination of all these factors that makes the number look high, but I wouldn't say there is any specific trend for a specific customer.
- Aditya Bansal:** So this should taper off in the coming quarters. Would that be a fair understanding?
- Prachur Sah:** No, I would not comment on that. I think it depends on the operational parameters, which are driving this churn.
- Aditya Bansal:** Sure.
- Prachur Sah:** Anything else you would...
- Aditya Bansal:** And lastly, you talked about sorry, please go ahead.
- Vikas Poddar:** No, Aditya, I think the only comment I wanted to make was apart from what Prachur explained, while there is a small increase, but there is nothing major that is concerning us as far as churn is concerned. These are basically normal network optimization, location optimization that happens in the business.

**Aditya Bansal:** Sure. And lastly, you talked about inorganic growth as a target earlier. Like where are we on the same? Are we still considering it in India? And what would be the considerations for the same, like what would decide whether you acquire something or you organically build it?

**Prachur Sah:** I think any inorganic growth that we would consider or anybody would consider for that matter would depend on the valuation that we can get. I think we have an opportunity to build. So I think it will depend on the valuation. And if we feel there is -- it is value accretive to Indus and its shareholders, we'll consider that.

**Moderator:** The next question is from the line of Vedant Sarda from Nirmal Bang Securities Private Limited.

**Vedant Sarda:** Sir, in our earlier concalls, we have guided a kind of 10% growth for coming 4 to 5 quarters, and then, a bit growth moderation, like in the range of around 6% to 7%. So now a major customer has announced the kind of huge capex in the coming 2 years. So how can we look at Indus as an investor, like how will it benefit to Indus? And any quantum you can specify on that?

**Prachur Sah:** I'll just clarify. I'm not sure we have ever put a forecasted growth percentage in our earnings call. What we have maintained is that whatever be the tenancies and towers will be rolled out by any of our customers, right? Our effort is to get the maximum market share.

So I think as the customer increases its network expansion, I think we will continue to grab the maximum tenancies that we can get out there. So that is what is going to keep driving our growth. So I think that's where we are.

**Vedant Sarda:** So the huge capex announcements will not change our 6.5% to 7% organic growth guidance anyway for coming 1 to 2 years?

**Vikas Poddar:** Vedanta, first of all, we refrain from giving any forward-looking guidance. The capex indication that you are talking about, I think while the customer has indicated, but we are yet to receive any detailed rollout plan, etcetera, from the customer.

And like we said, our focus and our strategy would be to garner maximum market share as and when the rollout plans, etcetera, are made known to us. But clearly, I mean, directionally, we do expect tenancy to grow based on that.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference back to Mr. Prachur Sah for closing comments. Thank you, and over to you, sir.

**Prachur Sah:** Thanks. To conclude, the quarter reflects steady and deliberate progress across our key strategic priorities. Our core business performance remains strong, underpinned by continued colocation additions. The ongoing network expansion activity of our customers, coupled with our disciplined progress towards scalable long-term growth opportunities in Africa continue to underpin the strong growth outlook.

In parallel, our ongoing investments in digital and AI-led capabilities are increasingly embedded across the network, enhancing asset visibility, operational control and speed of execution and positioning technology as a core enabler of performance.



*Indus Towers Limited*  
*February 03, 2026*

Backed by our execution track record, focus 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. On behalf of Indus Towers Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.